# Daily Report

# Latin America

FBIS-LAT-89-147
Wednesday
2 August 1989

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*FBIS-LAT-89-147* *2 August 1989*

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## Cuba

### South Africa Refuses To Dismantle Special Unit

*FL0108153689 Havana Radio Reloj Network in Spanish 1418 GMT 1 Aug 89*

[Text] Today, South African authorities were reluctant to demobilize the repressive forces of the Koevoet [Crowbar] in north Namibia. This action increases the tension and lack of confidence before the crucial November elections in Namibia.

South Africa's insistence in maintaining those troops active, troops that are specially trained to repress SWAPO [South West African People's Organization] actions, was stated by the South African administrator general in Namibia, Louis Pienaar, as well as the police commissioner in that country, General Dolf Gouws.

The statements made by both officials coincide with the new demands made in Harare by the president of the Nonaligned Movement and Zimbabwe, Robert Mugabe, to dismantle the Koevoet.

SWAPO leader Sam Nujoma also reiterated his demand for the dismantling of this group and accused the Pretoria regime of resorting to dirty maneuvers to impede the electoral process in Namibia.

### Havana: Chile Plebiscite Changes 'Very Little'

*FL0108165289 Havana Radio Rebelde Network in Spanish 1700 GMT 31 Jul 89*

[Station commentary]

[Text] The widely publicized plebiscite has just been held in Chile and, as expected, Chileans voted yes to the introduction of 54 amendments in the country's Constitution. In reality, the people went to the polls thinking that the yes vote was another small step toward a civilian democracy. It looks that way on the surface. However, this plebiscite lacked the confrontational tone of the one held last October when Chileans voted against Pinochet remaining in power.

Although the opposition negotiated with the dictatorship and the right wing on the plebiscite, we believe that the ones getting the good deal are Pinochet and his followers. What changed? Actually, very little.

Only 3 of the 54 amendments are of some importance. First, the one that facilitates the mechanism for new reforms. Second, the one that increases from 26 to 38 the number of elected senators. Third, the one that limits the term of a transition government to 4 instead of 8 years. This is almost insignificant.

However, what did Pinochet gain? He got precisely what he wanted. He was now able to introduce small changes to the fascist institution's structure to later prevent deep reforms under a possible civilian government.

Why did Pinochet not submit to a plebiscite to decide whether he should continue as supreme leader of the Army? The Constitution Pinochet himself made up in 1980 assures him this position for 8 more years no matter who wins the presidential elections scheduled for December.

If this situation prevails, the dictatorship will essentially remain the same. As the communist leader Volodia Teiltelboim noted a short time ago, Pinochet would become the president's president.

### Country Seeks Communications Aid From CEMA

*FL0108155889 Havana Radio Reloj Network in Spanish 1428 GMT 1 Aug 89*

[Report by Francisco Hernandez]

[Text] CEMA officials are holding a meeting on communications at Havana's Vedado Hotel today and tomorrow.

The main objective of the meeting is to study the possibilities for CEMA's socialist member nations to assist Cuba in the development of communications for the 1991-1995 period. Some of our nation's requests include telephone cables, equipment to locate breaks in the cables, and radio and television installations.

During their stay in Havana, the representatives from the socialist nations will visit telephone centers and other enterprises presently being worked on.

### Construction Materials Industry Minister Replaced

*FL0208105089 Havana Radio Reloj Network in Spanish 1037 GMT 2 Aug 89*

[Text] In order to achieve greater efficiency in the leadership of the Construction Materials Industry Ministry, the leadership of the Communist Party of Cuba and the Council of State have decided to replace Comrade Levi Farah Balmaseda as minister and appoint Comrade Jose M. Canete Alvarez in his place.

The report published today in the newspaper GRANMA indicates that Canete is currently the technical vice minister of the Construction Ministry. He is an architect and directed the Sixth Congress Contingent which recently carried out the construction feat of building the expansion of Havana's Miguel Henriquez Hospital in record time and with good quality.

### Higher Education Minister Closes Meeting

*FL0208014089 Havana Television Service in Spanish 0000 GMT 2 Aug 89*

[Text] The recently completed higher education school year was termed as the best one of the last few years. The announcement was made at the work assessment meeting of the Ministry of Higher Education which was held today in Havana.

The report that was presented at the meeting highlighted the progress made in the practical training of students, the results of integrated teaching, as well as production and research. In carrying out this objective, an important role has been played by the teaching organizations, which total 188 in the whole country and which include most of the fourth and fifth year students of all professions.

Also during the 1988-89 school year, achievements have been noted in the perfecting of the educational process, and in the increase of professional abilities which must be developed by students at all levels.

During the assessment meeting, the results of scientific research were noted as well as their practical implementation in society. Achievements in post-graduate work and in computer training programs were also highlighted.

Closing the meeting, Minister of Higher Education Fernando Vecino Alegret spoke about the commitment that all workers of the sector have made: to make of the coming year the best one in the history of these years of revolution, and in salute to the party's fourth congress.

## Grenada

### Mitchell: Minister Andrew Practicing 'Harassment'

*FL0108232089 Bridgetown CANA in English 0305 GMT 1 Aug 89*

[Text] St George's, Grenada, Aug 1, CANA—Political leader of the New National Party [NNP] Dr Keith Mitchell, has accused government of sacking more than 200 road workers in the last few days. Mitchell told CANA that Ben Andrew, who had replaced him as minister of works and public utilities, was practising "harassment."

Mitchell, who was sacked by Prime Minister Herbert Blaize, said action to send home workers would increase his popularity. "They seem to feel that all these road workers are Keith Mitchell's friends and supporters and if they are fired, I will become unpopular," the political leader said. So, with one stroke of the pen, they have been sent home.

Mitchell said at the weekend that he would write a protest letter to the acting commissioner of police, copied to the minister responsible for national security criticizing alleged searches of party supporters' vehicles following a public meeting last Friday [28 July] night. He deemed the searches "an attempt to intimidate my supporters."

Grenada is faced with a political crisis following the sacking and resignation of government parliamentarians, which have left the National Party of Prime Minister Herbert Blaize and the National Democratic Party with six seats each in the 15-seat parliament. Mitchell's New National Party controls the other three seats.

The NNP announced at a general council meeting last week that a team of political organizers from the Caribbean Democratic Union was in Grenada assisting it with preparations for general elections, due to be called by March next year. "Our job is to advise on the strategy of the NNP campaign, not to canvass votes for the candidates" Clive Williams, one of the organisers, told CANA.

Mitchell has advised party supporters to anticipate an early general election.

## Haiti

### Information Ministry Announces Appointments

*FL0108192189 Port-au-Prince Radio Nationale in Creole 1300 GMT 28 Jul 89*

[All names as heard]

[Text] A press release from the Ministry of Information and Coordination announces that the Haitian Government, in a decree dated 12 July 1989, appoints Jean Carmelo Pierre-Louis to be director general of the national waterworks, SNEP.

Also, the following appointments were made by presidential commission dated 21 July 1989:

Luc Fougere has been appointed deputy representative of the Department of the Public Prosecutor at the Court of Cassation. Raoul Lincet has been appointed judge at the Court of Appeals of Port-au-Prince.

Ronald Augustin has been appointed surveyor in Delmas.

This is a press release from the Ministry of Information and Coordination dated 27 July 1989.

### People Demand Release of Assembly Member

*FL0108144889 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 31 Jul 89*

[Excerpts] The regional branch of ANOP [National Alliance of People's Organizations] in Cap-Haitien has announced it will hold an assembly today in front of the Office of the Public Prosecutor of the court of Cap-Haitien should Patrick Casimir not be released. Casimir is a member of the People's National Assembly. He was arrested by the police on 28 July. Here is our correspondent in Cap-Haitien, James Saint-Julien.

[Begin Saint-Julien recording] Patrick Casimir, a spokesman for the APDN [People's Departmental Assembly of the North] in Cap-Haitien, has been in police custody in Cap-Haitien since approximately 1600 on Friday. It has been reported that this citizen was arrested for denouncing in the press the way the local police were preventing a demonstration on 28 July to commemorate the 74th anniversary of the landing of the U.S. Marines in Haiti. [passage omitted]

The regional branch of ANOP for the north has demanded that Casimir be released quickly, before Monday. ANOP says that if he has not been released by Monday, there will be a big popular assembly next Monday in front of the prefecture in Cap-Haitien. [passage omitted] [end recording]

### Conacom Party Platform, Position on Elections

*FL0108183989 Port-au-Prince Radio Haiti-Inter in French 1100 GMT 31 Jul 89*

[Excerpts] After the MIDH [Movement for the Establishment of Democracy in Haiti] held its regional congress in Port-de-Paix, members of the Conacom [National Committee of the Congress of Democratic Movements] from southeastern Haiti held a congress in Jacmel. [passage omitted]

The main lines of the Conacom as a political party are: We would like for this party to concern itself with the problem of human rights that are being trampled daily, as well as the matter of national sovereignty, in order prevent people from selling the nation.

We ask that Conacom, as a party, present a clear political program that addresses all of the nation's demands and especially all the demands made by the masses since 7 February 1986 so that everyone will know what Conacom is, what it wants, and where it is going.

Another request by the delegates from southeastern Haiti to Conacom's central committee is that a firmer stand be taken on insecurity.

A firm position should be taken on the heavy-handed acts being committed in the country, especially in connection with this insecurity that is striking both the poor and the bigshots. For this reason, Conacom must collaborate with all other organizations that want to fight to force the provisional government to take serious measures to combat insecurity.

We ask Conacom's leadership to help us make an accurate analysis of these elections about which people are beginning to talk, because like other citizens who know what their political rights are, we do want elections.

That is what the Conacom resolution says. We repeat: Like all other citizens who know what their political rights are, we do want elections. However, we do not want rigged elections. We also do not want things to go the way they did on 29 November 1987.

We ask Conacom's leadership to sit down and talk with all its grass roots in Haiti, to explain to them what alliances are necessary to prevent the macoutes's from coming back on the scene and so the nation can truly take the path of democracy. [passage omitted]

### Resolution at Congress

*FL0108190789 Port-au-Prince Radio Nationale in Creole 1300 GMT 31 Jul 89*

[Text] We have here a resolution from the regional congress of Conacom [National Committee of the Congress of Democratic Movements] held recently in southeastern Haiti—more precisely, in Jacmel.

We 154 representatives of 73 democratic, Conacom-affiliated organizations in southeastern Haiti from the Cotes de Fer area to the Anse-a-Pitre area, on the occasion of the congress we held at the Samba Nightclub in Jacmel on 29 and 30 July 1989, made the following resolutions.

First, as far as we in southeastern Haiti are concerned, we are determined to struggle to have a different (?kind) of government, one which will satisfy the following demands:

First, taxes in the rural marketplaces must be decreased. Also, the money the government takes from the peasants in the different communal sections must be used to solve the problems of the people in these sections.

Second, measures must be taken so that the different sections can have proper schools, home economics centers, training centers for young men and women, proper roads, electricity, potable water, and dispensaries.

Third, there must be institutions to lend money to small peasant farmers under good terms, so that the peasants can work the land and raise livestock.

Government technicians must be present in all sections to provide support in the areas of health, education, agriculture, sports, the court system, and so forth.

Five [no number four as heard], concrete measures must be taken to once again give the peasants creole pigs.

Six, the peasants must be given the time to, just like any other citizen, obtain birth certificates for their children without problems and without any crooked wheeling and dealing.

Seven, the society must be organized in such a way that women, both rural and urban, can find jobs without being subjected to humiliations.

In the battle we are waging to build this different government and society that we want, we are ready to walk hand in hand with all other organizations struggling against insecurity, the high cost of living, and repression in Haiti.

In reference to Conacom as a political organization, we ask its national secretariat to reach agreement with all of its grass roots in Haiti to turn Conacom into a political party, because Haiti needs a big, mass, political party, a

political party that comes from the belly of the Haitian people and which will fight to defend the interests of the Haitian masses. However, this party must also include progressive Haitians, regardless of what social class they belong to. This includes all the children of Haiti who want their country to develop and who want democracy. We ask that this party truly struggle to defend all young women, workers, and peasants that the government is trampling; serious civil servants and professionals; and merchants and industrialists who want the country to function differently.

In connection with this resolution, we have formed a regional secretariat that consists, first of all, of a six-member regional executive bureau. This bureau's headquarters will be in Jacmel.

Secondly, this regional secretariat will have several area secretariats, which will concern themselves with Conacom's activities in the communal sections.

We proclaim these resolutions clearly, on 30 July 1989. It is a matter of putting our heads together and keeping them well in place to change things here in Haiti.

This Conacom press release issued on the occasion of the Conacom regional congress for southeastern Haiti is signed by Joseph Lambert, who is in charge of the regional executive bureau for southeastern Haiti, and Conacom secretary general Victor Benoit.

## Interior Minister Presides Over Meeting

*FL0108194489 Port-au-Prince Radio Haiti-Inter in French 1100 GMT 31 Jul 89*

[Excerpts] [Passage omitted] The Directorate of Information of the Ministry of Information and Coordination announces that a meeting presided over by Brigadier General Acedius Saint-Louis, interior and national defense minister, was held at his office on Friday 28 July. The meeting was on the conflict opposing two factions from among the population of (La Tapie), first communal section of Grande Saline.

The meeting was also attended by prefects of Saint-Marc and Marchand, (Gerard Guignard) and (Jean Rosier), respectively; Captain Joseph Ira, Haitian Armed Forces, commanding officer of the military district of Saint-Marc; (Rodrigue Alexis), director of prefectural and municipal affairs at the Ministry of Interior and National Defense; and (Gary K. Pierre) and attorney (Lejeune Loiseau), representing the Ministry of Information and Coordination and the Ministry of Justice, respectively.

During this meeting, measures were taken to find an urgent solution to the problems of the peasants of (La Tapie).

Furthermore, the Directorate of Information wishes to inform that no arrests have been made within the last few days in (La Tapie). However, seven peasants invited by the commanding officer of the military district of Saint-Marc to consult with the judge in Saint-Marc, were detained by the judge, for spoilation [as heard] and for refusing to obey a court ruling. [passage omitted]

We remind listeners that on 2 June, 4 people suffered bullet wounds and 28 houses were burned down in (La Tapie). The Ministry of Interior explains that these are not arrests but rather detentions. [passage omitted]

## 1 Killed, 2 Wounded in Artibonite Land Conflict

*FL0108174389 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 31 Jul 89*

[Excerpts] In the Artibonite, one person was killed, two people were wounded, and four people were arrested in a conflict over land. Here is our correspondent in Saint-Marc.

[Begin unidentified correspondent recording] There was a clash yesterday, Thursday, 27 July, at a place called (Gerard Molette) in the second rural section of Marchand Dessalines. [passage omitted]

At approximate 1400 on 27 July, a group of peasants from Desdunes accompanied by section chief (Merard Phanord) and five soldiers went onto some land in (Molette), on the estate belonging to Emile Cenat. Cenat himself told us this.

This group of men came to ravage everything that was on the land. When Cenat's group opposed them, the soldiers opened fire. Andre Jean was killed. He was hit by three bullets. Austenne Genelieu was shot in the back and Perilieu Chery was shot in the right (?arm).

Meanwhile, alerted, the military from the barracks in Saint-Marc came to the area and arrested four young men from the Mahotiere family.

Cenat told us he has been on the land in question for approximately 42 years, and that it is only since 7 February 1986 that the Mahotiere heirs have been claiming that the land belongs to them.

Everyone knows that land conflicts in the Artibonite remain a challenge to the Haitian court system and that there is always bloodshed, with people dying, houses being burned to the ground, and so forth. We hope the Haitian authorities will someday come up with a solution to this long-standing labyrinth of land problems in the Artibonite Valley, for this is preventing this privileged area from progressing. [end recording]

## Store Owner, Sergeant Killed in Cite Soleil

*FL0108200189 Port-au-Prince Radio Nationale in Creole 1300 GMT 1 Aug 89*

[Report by Jacob Virgil]

[Excerpts] [Passage omitted] Mr Antoine Leconte, a father of six and the owner of a small grocery store in Cite Soleil, was killed at around 0400 this morning when a group of robbers broke into his house and asked him to give them everything he had at home. These robbers, who, according to the Leconte family, were not wearing masks, tied up everyone they found in the house before doing what they did. The men were dressed in civilian clothing and were carrying heavy-caliber weapons. According to the family, they addressed each other as sergeant.

Mr Leconte refused to give the robbers everything he had in the house. While all the rest of the family was tied up, the thieves shot Mr Leconte three times and they stole more than $6,000 from the house. [passage omitted]

As the thieves were leaving the house with everything they had stolen from the small grocery store, they met up with a sergeant named Lucien Joseph who was returning from Foret des Pins. Without thinking, the robbers fired at this sergeant, who died instantly.

The police and a justice of the peace went to the scene very early this morning to write up a formal report of the incident so the bodies could be taken to the morgue.

## Press Reports on Drugs, Elections, Corruption

*FL0108204989 Port-au-Prince Radio Metropole in French 1045 GMT 31 Jul 89*

[Press review]

[Excerpts] The spectacular seizure of cocaine in Jeremie and the arrest of four civilians—among them Mrs Mimose Jeanty—and two members of the Armed Forces [FADH] is on the front page of two daily papers: HAITI-OBSERVATEUR and HAITI EN MARCHE.

Marc Garcia's paper carries on its front page a picture of Mimose Jeanty, the godmother of cocaine in Haiti, who when arrested in Jeremie tried to pass herself off as a poor vendor of charcoal. HAITI-OBSERVATEUR points out that although Mimose Jeanty and her principal accomplice Jean-Claude Jean were shown over Haitian national television, the names of the FADH members implicated in this drug trafficking were not mentioned.

HAITI-OBSERVATEUR also mentions that Jeanty's business on the airport road was sacked by armed civilians from the Anti-Gang Brigade, who took some 11 vehicles from International Car Rental. The scandal within the Army appears to be never-ending.

The magazine BALANCE this week carries an article on corruption within the Army. On the cover is a picture of Lieutenant Gerald Larochelle, who is reportedly now in jail at the Petion-Ville barracks. BALANCE writes, and I quote: These last few days the big news, to say the least, is sordid, for it casts doubt on the very section of the police in charge of repressing (?robberies) and other crimes.

The magazine further points out that certain high-ranking Port-au-Prince police officers have reportedly been arrested and jailed for theft. These military men reportedly had their own gang within the [Investigations and] Anti-Gang Service. HAITI-OBSERVATEUR, too, carries a headline that reads: An officer under arrest at the Petion-Ville barracks for reasons the military government seems reluctant to talk about. [passage omitted]

The weekend editions of the weeklies and dailies also discuss elections.

HAITI EN MARCHE talks about the division existing among those who are out to capture votes, while the Duvalierists attempt to take advantage of the situation by compromising the Provisional Electoral Council. [passage omitted]

There is stirring among the Duvalierists. Since his meeting with the Provisional Electoral Council, Claude Raymond has been receiving a constant stream of visitors at his residence in Musseau. Clovis Desinor remains on his guard and is awaiting the publication of the election calendar. Lamartiniere Honorat, claiming to be a part of the silent majority, has just inaugurated a new party headquarters. Dr Volvick Remy Joseph receives far more group leaders at his clinic than he does patients. [passage omitted]

Lastly, BALANCE carries, as a warning, a headline reading: The CEP and the political class—toward the same old errors. The headline is a warning, because, says BALANCE, repeating the same old mistakes will serve only to perpetuate this transition, which depresses us all. [passage omitted]

## Manley, Others Welcome Nigerian Vice-Admiral

*FL0108225589 Bridgetown CANA in English 2025 GMT 1 Aug 89*

[Text] Kingston, Jamaica, Aug 1, CANA—Nigeria's chief of the general staff, Vice-admiral Augustus Aikhomu, has arrived in Jamaica for a four-day official visit. The vice-admiral was due to meet Prime Minister Michael Manley and opposition leader Edward Seaga while here.

Aikhomu was met on arrival Monday [31 July] evening by Prime Minister Manley; members of the cabinet; representatives of the opposition Jamaica Labour Party [JLP] led by Hugh Shearer; the speaker of the House of Representatives, Headley Cunningham; members of the

diplomatic corps; and Pearnel Charles of the JLP. Also at the airport was the staff of the Nigerian Embassy headed by Ambassador Adebowale Adefuye.

The vice-admiral is expected to tour Up Park Camp, the headquarters of the Jamaica Defence Force, and on Wednesday he will visit the tourist resort city of Montego Bay on the north coast, two sugar estates, and the Alpart Alumina refinery in St Elizabeth in central Jamaica.

Vice-admiral Aikhomu's visit is in keeping with a tradition of inviting a foreign official to participate in independence celebrations here.

## Trinidad and Tobago

### Ruling Party Deputy Warns Government

*FL0208022389 Bridgetown CANA in English 1652 GMT 31 Jul 89*

[Text] Port-of-Spain, Trinidad, July 31, CANA—Karl Hudson-Phillips, deputy leader of Trinidad and Tobago's ruling National Alliance for Reconstruction (NAR), warned government on Sunday to spend its remaining two and a half years in office listening to the country's social needs, if it wished to be re-elected.

"The present government has been preoccupied with what I would call non-people policies," Hudson-Phillips told the National Land Tenants and Ratepayers Association. "That is, policies which do not directly impinge and seek to change or regulate the social fabric of the society." "They've had their IMF, whatever, they've had their budgetary problems, whatever. But I think this government is past its half term which is its watershed. If it hopes to be re-elected at the end of the term, it must, in the second half, pay attention to what people are suffering, the social conscience of the country, and what organisations such as this are saying, otherwise it will not survive," the one-time attorney general said.

Hudson-Phillips is the remaining NAR deputy leader following the expulsion of Basdeo Panday from cabinet and the party last year following a series of criticisms about the direction of the ruling party by Panday and his supporters.

Hudson-Phillips had joined Robinson, Panday, and Lloyd Best in merging their political parties to form the NAR, which brought about the country's first change in government in thirty years in December 1986 in its defeat of the People's National Movement [PNM].

Hudson-Phillips took the opportunity before the large crowd in south Trinidad to continue his criticisms of the PNM. "This country is an understanding country. What was inherited in 1986 was a total mess," Hudson-Phillips said. He pointed to the near collapse of a locally owned workers bank which the central bank and the local financial sector recently bailed out.

Also speaking at the association annual assembly, Planning Minister Winston Dookeran promised housing reform programmes to help the country's squatters. Dookeran said such assistance was being put together by the Settlements Ministry and the Inter-American Development Bank (IDB).

### Hudson-Phillips in NAR 'Conveniently'

*FL0208024389 Bridgetown CANA in English 2022 GMT 1 Aug 89*

[Text] Port-of-Spain, Trinidad, Aug 1, CANA—Expelled former deputy leader of Trinidad and Tobago's ruling National Alliance for Reconstruction (NAR), Basdeo Panday, says the lone remaining Deputy NAR Leader, Karl Hudson-Phillips is in the ruling party "conveniently." "He is in the NAR conveniently. He is not interested. But it is strange that he's making these remarks about a government in whose bosem he is," Panday was quoted as saying in the TRINIDAD EXPRESS.

Hudson-Phillips warned the government on Sunday that if it did not turn to policies which address the social needs of the country, it would not be reelected in 1991. Panday charged that Hudson-Phillips was playing games.

Hudson-Phillips is the sole NAR deputy leader left following the expulsion of Panday, who was thrown out of first the cabinet and then the party for a series of comments criticising the direction of NAR administration. "He is making the same complaints which I had made when I was expelled. But then, when I made those complaints, Hudson-Phillips also agreed with my expulsion," Panday said. "What is he up to? I would like to know," Panday said.

Hudson-Phillips was also contacted by the paper for his response. "I have no response to him. If that is Mr Panday's reaction to what I have to say, if that's what he thinks, I wish him well," the Trinidadian attorney responded.

### Government To Auction Treasury Certificates

*PA0108225189 Mexico City UNOMASUNO in Spanish 29 Jul 89 p 15*

[Text] Next Tuesday, the Bank of Mexico will auction off a total of 6.695 trillion pesos in Treasury Certificates (Cetes) redeemable in 28 days to reduce liquidity in the market and prevent the interest rates on government securities from rebounding.

According to the bank's announcement to national credit institutions and stock market dealers, in 92 days the amount of the Cetes will have matured to 300 billion pesos, while it is expected that $30 million will be sold in Federation Promissory Notes (Pagafes).

Also on Tuesday, $20 million in Federation Treasury Bonds will be auctioned off, as well as Development Bonds (Bondes) worth $300 billion pesos.

Stock market experts point out that an excess in liquidity in the market allows the Bank of Mexico to reduce its rates, in response to the demand for investments, and the banking institution has the opportunity to establish how much will be sold and to set the interest rate.

### Bank Deal Leaves Business Sector 'Optimistic'

*PA0208034089 Mexico City EXCELSIOR in Spanish 29 Jul 89 p 6-A*

[Editorial: "Climate of Optimism"]

[Text] The agreement with creditor banks has given rise to optimism in Mexico's managerial circles. According to statistical data of the private sector, the future looks promising following the 35 percent write-off of the foreign debt. A study prepared by the National Association of the Processing Industry [CANACINTRA] highlights that the government will have ample opportunity to foster economic growth. Even a viable and uncomplicated solution seems to exist for settling the internal debt. The documents note that the reduction of over 22 percent in the local interest rate means that Mexico will save 24 trillion pesos in debt servicing charges. In theory, many things can be solved as a result of this reduction, because the savings that will result from it, coupled with the discount granted by the creditors, will make it possible to achieve two fundamental objectives that looked incompatible in the past—to reduce the public deficit to 6.4 percent of the GNP and thus stave off the danger of an inflationary spiral and to earmark funds for development programs.

The favorable statistical picture notwithstanding, several problems will have to be tackled. The reduction in the bank interest rate may drive savers to take their money elsewhere to get higher returns. How can this threat be staved off? Has a good program been drafted to do so? CANACINTRA feels that the authorities have ample maneuvering room to lower the yields even further. However, the problem is to funnel capital toward more profitable investments.

### Soldier Kills PRD Leader in San Juan del Rio

*PA0108170589 Madrid EFE in Spanish 0431 GMT 1 Aug 89*

[Text] Mexico City, 31 Jul (EFE)—A youth leader of the Party of the Democratic Revolution (PRD) was shot and killed by an Army corporal while participating in an opposition march in San Juan del Rio, 150 km north of Mexico City, it was reported here today.

Eyewitnesses reported that, in addition to the slain youth leader, Juvenal Leiva, 26, two other youths of the 2,000-member Cardenist Peasant Federation (Central Campesina Cardenista) of the PRD were wounded in the incident.

The incident occurred when 40 buses and trucks carrying peasants to Mexico City tried to cross the toll bridge at San Juan del Rio, Queretaro State, without paying.

Rodriguez Vasquez, the corporal in charge of the military post, opened fire on the group after a heated argument with the group leaders.

The shots hit Leiva in the chest, and he died on the way to the hospital. Patricio Esquivel, 20, was shot in the leg, and Felix Perez, 25, was shot in the left shoulder, hospital sources told EFE.

The PRD youth leaders were leading a march of 2,000 peasants who will participate in a demonstration tomorrow in front of the government palace to demand solutions to farming problems.

In a press communique released today, the Defense Secretariat reported that Corporal Rodriguez Vazquez and the rest of the troops at the toll bridge have been "relieved of their duties and turned over to the local authorities."

A group of demonstrators remained at the scene of the incident and announced that they will stay there "until this incident is cleared up and justice is administered," members of the PRD organization's secretariat explained.

### * Buendia Case Evidence Reviewed by Prosecutor

*32480182 Mexico City EXCELSIOR in Spanish 3 Jul 89 pp 12A-13A*

[Text of report by Deputy Attorney General Dr Miguel Angel Garcia Dominguez, special prosecutor: "Clarification of the Manuel Buendia Tellezgiron Murder Case;" dated Mexico City, 30 June 1989]

[Text]

**I. Background**

Manuel Buendia Tellezgiron was murdered in this city on 30 May 1984.

As is widely known, he was an outstanding journalist who also worked in various mass media areas with the federal government. He maintained a consistent attitude of intolerance toward corruption, vice, and distortions in all aspects of national life. Buendia's criticism was basically designed to promote correction and rectification of the deviant actions of individuals whose activities were of public importance.

**II. Initial Actions**

The Office of the Attorney General of the Federal District launched an investigation in the Central Section of that department, while at the same time the federal executive branch informed the federal authorities and asked the state to collaborate in the investigation of the homicide.

A group of journalists, "Los Pares," contributed to the investigation, working through attorney Raul F. Cardenas.

During the first 3 years and 9 months, efforts were made and investigations pursued, but nonetheless no progress was made nor were results obtained.

In view of this, the members of Manuel Buendia's family and the members of the foundation which bears his name insisted that the work of the public prosecutor needed to be intensified so that the crime would not go unpunished. They believed that it was necessary to appoint a special body, certainly following the example set in other countries like the Scandinavian nations, which would make possible a single command, would guarantee independence or operational autonomy, and could secure the budget, political support, and specialized assistance needed to prevent the investigation from becoming yet one more addition to the long list of unresolved cases.

**III. Establishment of the Office of the Special Prosecutor**

**1. Request for a Special Prosecutor**

Toward the end of 1987, at the suggestion of Angel Buendia, a brother of the columnist, a "follow-up group" was created to clear up Manuel Buendia's murder.

Nine outstanding newsmen agreed to participate in this group. Angel Buendia himself served as its coordinator.

On 15 January 1988, Angel Buendia talked with Manuel Bartlett Diaz, who was at that time interior secretary, and he told him that the group believed that the slow pace of the investigation might be a result of the fact that it had not been assigned to an official directly and exclusively responsible for it. For this reason, the federal government was asked to appoint a special prosecutor with the direct and exclusive responsibility for investigating the homicide. The "follow-up group" expressed the view that this official should be assigned such agents working for the public prosecutor and the Judicial Police [PJ] as might be needed, to serve under his direct and sole command. Finally, they asked that the man appointed be Dr Miguel Angel Garcia Dominguez, who at that time was serving as deputy attorney general for preliminary investigations in the Office of the Attorney General of the Federal District.

Moreover, Angel Buendia informed Bartlett Diaz that the members of the group would turn over to the attorney general of the federal district, Renato Sales Gasque, a petition bearing the signature of a large number of journalists and setting forth all these points, which they would make public.

**2. Group Meeting With Garcia Dominguez**

On 18 January 1988, during a meeting with the "follow-up group," its members informed Miguel Angel Garcia Dominguez of all of the above, and asked him to accept the post. He refused, arguing that acceptance would mean virtual political suicide, a kind of "kamikaze" action. He alleged that given the time which had elapsed and the complexity of the case, the likelihood of success was very limited, and even that would evaporate unless very special circumstances developed. When pressed to explain these circumstances, he listed them as follows:

In order for the investigating official, whoever he might be, to enjoy any likelihood of success, it would be necessary:

A) That he have the total support of the government, resulting from an effective political desire expresed on the highest level. In other words, he would have to be appointed directly by the president of the republic.

B) That he be given full autonomy for the handling of the investigation, resources, and mass media assistance.

C) That he be assigned the exclusive handling of the investigation, such that no institution or government department, and in particular no police body, could interfere. These agencies would have to cooperate, but only at the specific and express request of the person appointed by the president.

D) That to make this autonomy effective, the necessary and adequate resources would have to be allocated, taking into account the scope of the problem, its great difficulty, and the limited time which would be available, since the presidential appointment would limit the duration of the assignment to the period ending on 30 November 1988.

E) That offices other than that of the prosecutor would be used to make the exclusive authority to investigate efficient, and also to guarantee that it could be conducted with the discretion needed in the case.

On Wednesday, 20 January, several of the members of the journalists' group met with Renato Sales Gasque, who at that time was attorney general of the federal district, and they turned over to him the document setting forth the considerations mentioned.

During this same interview, the attorney general was asked to appoint the deputy attorney general for preliminary investigations as the special prosecutor.

On Thursday, 21 January, a daily newspaper in the capital published the letter signed by 73 persons turned over to the attorney general of the federal district the preceding day.

**3. Appointment of the Special Prosecutor**

On Monday, 25 January, Sales Gasque announced that he had assigned responsibility for the conduct of the investigation to the deputy attorney general for preliminary investigations.

He said that the person appointed could designate the personnel needed to make up the group especially entrusted with the matter.

On that same day, 25 January, Dr Miguel Angel Garcia Dominguez, a special prosecutor, was summoned by the interior secretary, who asked him to accept the post, emphasizing that the prosecutor would have all the political support needed to pursue the investigation to a successful end. On the basis of the support offered by the federal executive branch, the appointment was accepted.

On Friday, 29 January, the president of the Republic appointed him to serve as the special prosecutor in connection with the murder of Manuel Buendia, and told him of the political desire of his government, and of himself personally, that the greatest effort be made, sparing no resources to clarify the matter.

He also offered him full support in preventing or eliminating any obstacle to the investigation, and assured him of all the necessary resources.

He told President De la Madrid that in his opinion, the investigation should be pursued on the basis of a detailed overall, or total and exhaustive plan, drafted on the basis of rigorous methodology and carried out with discipline, since intuition, momentary inspiration, and improvisation are sometimes useful, but only when supplemented by planning of the investigative work, and not as the exclusive or basic procedure. This was made obvious with the recollection that various police bodies and chiefs had participated unsuccessfully in the investigation over the almost 4 years since the murder took place.

**4. Prosecutor's Initial Actions**

A) Drafting and Approval of the Work Plan

The drafting of the work plan was completed in a little more than 2 weeks, and the president was informed of the fact through the interior secretary.

On 23 February, the work plan was submitted to the president of the Republic, who approved it, reiterating that he would provide his personal and direct support to the Office of the Prosecutor insofar as necessary in order for the investigative work to be carried out in efficient and timely fashion.

At the same time, he gave instructions that the necessary financial resources be provided to the Office of the Prosecutor, along with all the necessary support.

The plan covered all of the strategic, tactical, and logistic aspects on which success of the assignment might depend.

B) Identification of the Difficulties the Investigation Would Encounter

From the very beginning, those working in the Office of the Prosecutor were very clearly aware that in the course of the investigation, innumerable difficulties would arise. They could be classified as follows:

1. Those resulting from the time elapsed.

2. Those resulting from disappearance of the material evidence.

3. Those which would inevitably arise in identifying the murder weapon.

4. Those which might result from the very probable lack of logistic support in certain sectors, and the consequent lack or inadequacy of some resources.

5. Those inherent in a case with a high level of initial complexity.

6. Those of an operational nature, which, despite the political support, would result from the nature, large number, and importance of the individuals who would have to be interviewed.

C) Initial Investigative Work

Pursuant to the work plan approved on 23 February 1988, the investigative work began on 1 March of that same year, when the offices were established at No 170 Aguascalientes, Colonia [urban community] Hipodromo Condesa.

D) Hypotheses

According to the work plan and consistent with the criteria and procedures established for the purpose, multiple hypotheses were established for the investigation of the possible masterminds: 276 in connection with the journalistic work of the deceased, 22 based on his personal relationships, and 58 possible actual assailants. The work was then immediately launched in accordance with the plan drafted.

**IV. The Transition**

By the end of the period initially set by then president Miguel de la Madrid for completion of the investigation (by 15 November 1988), the efforts of the personnel in the Office of the Prosecutor had begun to produce some promising indications, but had not as yet achieved any final results.

On 27 November, President Miguel de la Madrid was given a report assessing the progress made and describing the status of the investigation.

The special prosecutor says that the then president of the Republic and the interior secretary provided the fullest support for the investigation of the murder of Manuel Buendia. However, the number of hypotheses established and the short time remaining in the 6-year term just ending made it impossible to obtain results in the investigation before the constitutional term of office ended.

**V. Confirmation of the Special Prosecutor**

As the changeover in government approached, the Union of Democratic Journalists informed the president-elect of its concern that the investigation might be abandoned, that the effort made by the Office of the Special Prosecutor would be wasted, and that with the changeover of command in the Office of the Attorney General, progress in analyzing the hypotheses might be hindered.

The president-elect gave his assurance that this situation would not occur, and he reiterated his desire for a solution to the murder.

On 3 December 1988, by means of a special resolution, the president ordered the attorney general of the federal district to confirm Dr Miguel Angel Garcia Dominguez as deputy special prosecutor in the Buendia case. He also ordered that he be given full and total support for his activities, operational autonomy, and sufficient human and material resources for the completion of his mission. The president fulfilled the pledge he had made, and in addition, he made it known that he had therefore not only confirmed Dr Miguel Angel Garcia Dominguez as special prosecutor, but had also instructed the head of the department of the federal district and the attorney general of the federal district to provide him with all necessary support.

When President Carlos Salinas de Gortari had been installed in office, the Office of the Special Prosecutor decided to continue the work on the basis of the structure established during the preceding presidential term, using the same operational scheme, methods and procedures, and the work plan originally approved.

**VI. The Result**

The majority of the hypotheses were discarded, one after the other, when no evidence was found.

With regard to one of the hypotheses, information has been obtained in recent months, particularly since 16 May, when, based on one item of evidence, the gathering of testimony was speeded up, and some light began to be cast on the case. Members of the Federal Security Directorate [DFS] appeared to have been responsible, and a solution was finally reached during the first 10 days of June.

Criminal action was undertaken as soon as sufficient evidence had been gathered.

**VII. Crimes**

As a result of the investigations and subsequent activities, probable responsibility was assigned to Jose Antonio Zorrilla Perez for:

1. The alleged murder of Manuel Buendia Tellezgiron, as the maste. mind of the deed.

2. The alleged murder of Jose Luis Esqueda Gutierrez, as the mastermind of the deed.

3. As a result of the search made at the residence at 2570 Paseo de la Reforma, No 79, in Lomas de Chapultepec, evidence was found pointing to activities which might constitute federal crimes, such as:

A) The introduction and stockpiling of weapons and ammunition reserved for the exclusive use of the Armed Forces.

B) Illicit enrichment by a public servant.

The accused was without assets when he entered public service, and in 3 years he amassed a fortune which included residences in the United States and in luxury colonias in Mexico City, Cancun, Ixtapa Zihuatanejo, and Cuernavaca. He also owned real estate and deposits in foreign banks.

4. As a result of those actions which hindered the preliminary investigation of the murder of Manuel Buendia, he is probably guilty of crimes including obstruction of justice, abuse of authority, and misuse of public office.

The reason the lives of Manuel Buendia and Jose Luis Esqueda Gutierrez were taken was that they knew of the links between Jose Antonio Zorrilla Perez and the drug traffic.

Juventino Prado Hurtado, Raul Perez Carmona, and Sofia Naya Suarez participated in the murder of Manuel Buendia as the masterminds of the crime.

Juan Rafael Moro Avila was the man who shot Manuel Buendia.

Alberto Estrella participated in the murder of Jose Luis Esqueda Gutierrez, and individuals the Office of the Attorney General of the Federal District hopes to apprehend as soon as possible, who were DFS agents at the time, are accused of the material implementation of that crime.

**VIII. Evidence**

The following are included in the file on the case:

1. The statements made on 29 June 1989 by Juan Manuel Bautista Ortiz and Rosa Elvia Chavez Almanza, in which they identified Juan Rafael Moro Avila to the special prosecutor as the individual who shot Manuel Buendia on 30 May 1984.

2. The statement by Juan Rafael Moro Avila in which he stated that he was ordered to participate in "Operation News Item" to "silence an individual," and in which he admitted he was at the site of the events.

3. The statement made by Jacaranda Alfaro on 15 June 1989, in which he said that Juan Rafael Moro Avila told him that "they are going to pick me up because they are going after Zorrilla, they are going t get me for the murder of Manuel Buendia" (exact wording). Jacaranda Alfaro maintained that Juan Rafael Moro Avila told him that Zorrilla had summoned him to his office to talk about the Buendia affair specifically. On that occasion, Moro told Zorrilla that if he turned him in, he in turn would identify Zorrilla as the mastermind.

4. The statement made by Juventino Prado Hurtado on 24 June 1989, in which he said that Zorrilla ordered him to call on the day of these events, and told him: "Look, I need a person I can really trust, do you have someone?" (exact wording). He said that he answered "yes," and that Zorrilla went on to tell him that it was a question of murdering the journalist Manuel Buendia, that he asked him about a trustworthy individual, and that he told him the man was Juan Rafael Moro Avila. He later introduced him to Zorrilla, who gave him his instructions, which were accepted.

5. Juan Rafael Moro Avila and Juventino Prado Hurtado admit having participated in the operation with Raul Perez Carmona and Sofia Naya Suarez.

6. Jose Luis Esqueda Gutierrez was murdered at 4:30 am on 16 February 1985 in front of No 649 Palenque Street in Colonia Vertiz Narvarte.

Jose Luis Esqueda was a comrade and friend of Jose Antonio Zorrilla Perez, and the preliminary investigation launched in connection with this homicide revealed the following facts:

A) In the statement made by Alberto Estrella on 29 June, he said that on 15 January 1985, he received instructions from Jose Antonio Zorrilla Perez ordering him to follow Jose Luis Esqueda Gutierrez, and if the latter became aware of it, he was to murder him and take from him everything which might implicate the DFS.

B) Captain Ezequiel Vera Sanchez stated on 17 June 1989 that at 8 am on the day of the events, two agents told him, in the offices of the DFS, that "they had killed Jose Luis Esqueda because he found them out, they argued, and he tried to shoot at them but they shot first."

C) It should be noted that the shot struck the victim in the back of the neck.

D) In the statement made by Jorge Miguel Ramirez Perez on 15 May 1989, he said that the deceased told him that he was being followed by DFS personnel, and feared for his life.

E) In the statement made by the widow Marina Cortes de Esqueda on 19 May 1989, she said: "My husband told me after the death of Manuel Buendia that they were going to kill him and that the man who ordered the killing was Jose Antonio Zorrilla Perez."

F) In his statement, another witness said on 12 June 1989 that "3 days before Jose Luis Esqueda died, he commented that it was a miracle he was alive, because he had just escaped from the federal agents who were after him, and that if something happened to him, I could say it was Tono, meaning Jose Antonio Zorrilla Perez."

G) On 16 June 1989, another witness stated that "2 days before the death of Jose Luis Esqueda, he told me that if something happened to him, he could already be sure it was Jose Antonio Zorrilla."

**IX. Weapons Stockpiling and Illicit Enrichment**

The weapons and cartridges found at 2570 Paseo de la Reforma, No 79, were of types reserved for the exclusive use of the Army and the Armed Forces.

Illicit enrichment is alleged on the basis of the list of assets, furnishings, and real estate said to be owned by Jose Antonio Zorrilla Perez, and the statements made by Enrique Fernandez Brito (brother-in-law), Antonio Lazaro Rios, and Hector Ricardo Ozuna Flores.

Copies pertaining to the conduct described above, the stockpiling of weapons and illicit enrichment, were sent to the Office of the Attorney General of the Republic and to the Secretariat of the Comptrollership General of the Federation [SCGF], because they involved matters within their jurisdiction.

**X. Drug Trafficking**

Concerning the relationship with drug traffickers, the protection provided them, and the economic benefits the defendant derived from drug trafficking, which confirmed the motive for the taking of Manuel Buendia's life, the file contains the following evidence:

Concerning Jose Antonio Zorrilla Perez:

1. He had connections with drug traffickers.

Statements included in the file and which will be used at the trial (names are being omitted for the time being to protect the witnesses):

—Witness A stated that he saw Jose Antonio Zorrilla Perez together with Rafael Caro Quintero on horseback in the riding enclosure of the Pedregal on several occasions (statement dated 12 July 1988).

—Witness B stated that on a number of occasions, he saw Rafael Caro Quintero and other drug traffickers in the offices of the DFS (statement dated 21 December 1987).

—Rafael Caro Quintero told the Office of the Federal Public Prosecutor on 6 April 1985 of his relationship with individuals in the DFS.

—Witness C stated that Zorrilla Perez had connections with drug trafficking (statement dated 22 October 1988).

—Witness D stated that Zorrilla allowed large quantities of drugs to come into the country (statement dated 19 May 1989).

—Witness E stated that Jose Luis Esqueda Gutierrez investigated the link between Zorrilla and the drug traffic, and had obtained positive results (statement dated 22 May 1989).

2. He protected drug traffickers and provided them with DFS credentials:

—Witness F stated between 12 and 22 July 1988 that Zorrilla supported Rafael Caro Quintero in his drug trafficking activities in the northern part of the country and provided drug traffickers with DFS credentials.

—Witness G stated that Zorrilla Perez gave Rafael Caro Quintero credentials, and took his photograph at the DFS itself (statement dated 21 December 1987).

—On 6 April 1985, Rafael Caro Quintero stated, at the Office of the Federal Public Prosecutor, that DFS personnel had provided him with protection.

—Armando Pavon Reyes, a former Federal Judicial Police commander in Guadalajara, Jalisco, stated that he allowed Rafael Caro Quintero to leave the Guadalajara airport because he identified himself with DFS credentials.

—Witness H stated that Ernesto Fonseca Carrillo and his associates had DFS credentials signed by Jose Antonio Zorrilla Perez (statement dated 21 September 1988).

3. He received extensive benefits from his relationship with drug traffickers.

—Witness I stated that Rafael Caro Quintero and several DFS commanders provided Jose Antonio Zorrilla with briefcases containing money, and that Caro Quintero also gave him a Grand Marquis automobile and a dark chestnut horse (statements made between 12 and 22 July 1988).

—Witness J stated that Zorrilla Perez received sums of money thanks to his links with drug trafficking (statement dated 21 December 1987).

—On 6 April 1985, Rafael Caro Quintero stated that two DFS commanders received a gift of a new Grand Marquis automobile, while others were given various large sums of money.

—Witness K stated that Rafael Caro Quintero gave Zorrilla Perez suitcases full of money (statement dated 19 May 1989).

—Witness L stated that DFS commanders assigned to the northern and southern parts of the Republic visited the home and the offices of Jose Antonio Zorrilla Perez to take him briefcases containing money obtained because of his connections with drug trafficking; that Rafael Caro Quintero gave Zorrilla a black Grand Marquis automobile; and that Commander Daniel Acuna Figueroa also gave Zorrilla a gray armored automobile (statement dated 16 June 1989).

—On 24 June 1989, Juventino Prado Hurtado stated in a Judicial Police document and before the public prosecutor that Jose Antonio Zorrilla Perez received large sums of money from the state DFS commanders because of his drug trafficking connections.

**XI. Motive**

Full probatory elements obtained from the files confirm that both Manuel Buendia and Jose Luis Esqueda Gutierrez were aware of the connection between Zorrilla Perez and the drug traffic:

—Manuel Buendia talked with Zorrilla by telephone on two occasions, and he told him that he had the information in question. Buendia recorded both conversations.

—Zorrilla was afraid that Manuel Buendia would make his links with the drug traffickers public.

—Jose Antonio Zorrilla recovered the cassettes on which the conversations were recorded from Buendia's office after the murder.

—A week prior to the murder, DFS agents raided Buendia's office, on the pretext of investigating the theft of a typewriter, and they took away one of the machine's ribbons.

—Jose Luis Esqueda learned of the relationship between Jose Antonio Zorrilla Perez and the drug traffickers, and in order to protect his own life, he told Manuel Buendia about it.

**XII. Similar Methods in the Two Murders**

—The victims knew of the drug trafficking activities of Jose Antonio Zorrilla Perez.

—Both individuals were murdered by DFS personnel.

—In both cases, the director of Federal Security covered the burial costs.

—In both cases, he presented himself to the widows, offering to investigate the crimes.

—In both cases, special surveillance was provided for the widows.

**XIII. Subsequent Actions**

This report covers the results of the investigation to date. The Office of the Public Prosecutor will continue to supply proof and evidence with a view to the complete clarification of the crimes referred to here, in fulfillment of his legal duty, and will report to the public on this matter at the proper time.

As of this date, with the evidence which the Office of the Public Prosecutor in the capital will provide, the court authorities will be entrusted with the imposition of penalties for the criminal conduct described in the report. The defendants will enjoy the guarantees provided them by the Constitution.

## Costa Rica

### Finance Ministry Reports on World Bank Agreement

*PA0208041589 San Jose Radio Reloj in Spanish 0100 GMT 2 Aug 89*

[Text] Approximately $25 million will be drawn from the World Bank to purchase the nation's debt. Other funds will be used to compensate for the Central Bank's losses and finance other resources. According to reports disclosed by Finance Ministry authorities, approximately $25 million will be drawn from funds to be granted by the World Bank and used to finance the purchase from the creditor banks.

The monies will be deposited in a fund created for a program to be carried out by the International Monetary Fund [IMF] in which the IMF will contribute $15 million for the purchase of the loan and $40 million to back payments of interest.

The remainder of the funds will be used to compensate for the losses of the Central Bank and finance allotments and reconversions. The remainder of the resources that will be allotted, once the agreement with the World Bank for the structural adjustment is ratified, would have these basic objectives: About 20 percent will be allotted to finance other reimbursements of international loans, and another percentage yet to be defined will be used to compensate for the losses of the Central Bank. Another topic of discussion concerning the use of resources is the manner in which it will be used within the program of industrial reconversion and the ways banks can capitalize on it, the Finance Ministry pointed out.

## El Salvador

### Labor Union Criticizes Bus Fare Increase

*PA0208014889 San Salvador Radio Cadena YSU in Spanish 1800 GMT 1 Aug 89*

[Excerpts] The Salvadoran Workers National Union Federation, FENATRAS, today spoke up against the bus fare increase that has been approved. A FENATRAS spokesman said that the measure goes against the economic condition of the country's poorest sectors and that it is part of the new government's policy against the working class.

The source said that the people's organizations are right when they say that as long as there is war in the country, it will be very difficult to resolve problems. [passage omitted]

Concerning the summit meeting to be held in Honduras next weekend, FENATRAS says that the efforts to isolate the president of Nicaragua could negatively affect the Esquipulas II agreement. [passage omitted]

The FENATRAS spokesmen said that their organization is coordinating activities with the National Union of Salvadoran Workers to organize protest actions because of the public bus fare increase.

### FMLN Communique Reports San Salvador Attack

*PA0208034289 (Clandestine) Radio Venceremos in Spanish to El Salvador 0244 GMT 2 Aug 89*

[Communique issued by the Farabundo Marti National Liberation Front (FMLN) General Command on 1 August; place not given]

[Text] [Passage indistinct] urban guerrillas, clandestine militias, and guerrillas. According to the reports we have received thus far, the operation has been carried out as follows:

1. Guerrilla columns attacked San Ramon—specifically the paramilitary forces headquarters and the National Guard posts—and carried out sabotage actions, ambushes of enemy reinforcements, and combat with Army patrols, as well as distributing propaganda.

2. Attacks on the Civil Defense garrison in Mejicanos and combat actions in (El Piso), as well as the distribution of propaganda.

3. Sabotage actions against the power system in the Escalon and San Benito neighborhoods and other points in the capital city, which has been left without electricity and [words indistinct].

4. Distribution of propaganda in the downtown area of the capital city and Army Boulevard.

5. Ambushes of military detachments.

6. Combat actions against Army units in the (Miralvalle), Satelite, Monte Bello, Zacamil, (Aduc), and other neighborhoods. During this operation, we have taken a qualitative leap in coordinating our urban forces in simultaneous attacks.

This is our response to the death squads' economic policy [words indistinct] humanitarian organizations, raids, tortures, and murders of labor union movement members. As we have demonstrated through our urban operation, the (?ARENA—Nationalist Republican Alliance) plan is not against the FMLN, but against all national sectors with the aim of stifling all opposition to the ARENA's plans of permanently placing in power the oligarchic minority it represents.

The FMLN calls on all national sectors to join efforts to defeat ARENA's total war plans so that all Salvadorans united against fascism will find a national solution to the conflict.

[Signed] FMLN General Command,
1 August 1989

### Increased Urban Actions Claimed
*PA0108232889*

[Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 1 August broadcasts a 13-minute military roundup for July, which includes clashes between Farabundo Marti National Liberation Front (FMLN) units and Salvadoran Army troops, FMLN acts of sabotage, ambushes, and attacks on military posts, Army soldiers, and other targets.

The report begins by stating that the FMLN began July with a "national maneuver," which included simultaneous attacks throughout the country and resulted in "559 confirmed Army casualties, including 7 lieutenants, 1 sublieutenant, 6 sergeants, 1 cadet, 4 subsergeants, 4 section chiefs, 9 corporals, 1 Civilian Defense commander, and 6 radio operators."

The monthly report goes on to say that the aforementioned attacks "were accompanied by the corresponding seizure of weapons." The report says that during July, the FMLN seized 18 rifles, 2 M-79 grenade launchers, 2 LAW M-72 rocket launchers, 2 PRC-77 communication radios, 3,450 rifle cartridges, and 21 backpacks. The report adds that "as for antiaircraft combat, the FMLN damaged nine helicopters and one C-47 plane."

The monthly report states that "our comrades ambushed 37 military convoys" in July, adding that most of the ambushes were carried out in Sonsonate, Cerro Verde, and La Libertad Department, "where we formerly did not carry out that type of guerrilla activity." The report adds that as a result of the ambushes, the FMLN "damaged or destroyed 24 vehicles and 4 armored vehicles."

The monthly report continues by stating that FMLN urban activities "continue to increase" throughout San Salvador, and that "an increasing number" of operations were conducted near the Armed Forces General Staff Headquarters in San Salvador.

As far as clashes are concerned, the station reports that FMLN units clashed with Soriano Battalion troops in the Guazapa area of San Jose Guayabal. The report adds that the FMLN has conducted an "increasing number" of operations in northern Cabanas Department, specifically "near Villa Victoria, where former Army Colonel Ochoa Perez said that the guerrillas would never carry out operations."

The station then reports that FMLN urban commandos ambushed a National Guard pickup truck in San Salvador at 1930 on 28 July, inflicting four casualties with grenades. The monthly report states that FMLN guerrillas clashed with the 1st Infantry Brigade's Libertad Battalion troops in Guazapa City on 31 July, inflicting seven casualties.

The monthly report concludes by stating that the FMLN's 29 July attack on the Soyapango Civil Defense Headquarters resulted in at least five paramilitary and one Atlacatl Battalion casualties.

## Guatemala

### PDC Leader Gunned Down in Guatemala City
*PA0108163489 Panama City ACAN in Spanish 1606 GMT 1 Aug 89*

[Text] Guatemala City, 1 Aug (ACAN-EFE)—Danilo Barillas, former Guatemalan ambassador to Spain and leader of the ruling Christian Democratic Party [PDC], was killed today by unidentified individuals in this capital, the police reported.

According to official reports, Barillas was heading downtown from his home in southern Guatemala City when he was intercepted by a group of unidentified individuals, who shot him down with machinegun fire.

The police said that so far the identities of the attackers are unknown. This is the first PDC leader killed since President Vinicio Cerezo assumed power in January 1986.

### Government Condemns Murder
*PA0108203789 Hamburg DPA in Spanish 1933 GMT 1 Aug 89*

[Excerpt] Guatemala City, 1 August (DPA)—In a brief, tersely worded communique, the Guatemalan Government condemned the murder today of Christian Democratic Party (PDC) Leader Danilo Barillas, 50. The communique also called for all sectors to join in the fight against the violence that has once again arisen in Guatemala.

The communique issued by the Presidency's Public Relations office stresses that the document also reflects President Vinicio Cerezo's position. The communique indicates that the murder of the former PDC general secretary this morning "is a harsh blow to democracy."

The government has accused extreme right-wing sectors of perpetuating this type of violence in previous terrrorist actions.

The PDC recently reported that approximately 300 of its members were killed during the 1970's and 1980's. Deputies Julio Hamilton Noriega and Francisco Sagastume were among those killed at that time. Today Barillas is added to the list. Barillas is possibly the highest-ranking PDC member to be killed up to now. [passage omitted]

### Cerezo Blames Rightists

*PA0108201089 Panama City ACAN in Spanish 1856 GMT 1 Aug 89*

[Text] Guatemala City, 1 Aug (ACAN-EFE)—Guatemalan President Vinicio Cerezo said today that Danilo Barillas, former ambassador and leader of the ruling Christian Democratic Party [PDC], was the "victim of the political intolerance of groups who do not want to live in democracy."

In statements to newsmen, Cerezo said that those responsible for killing Barillas "are extreme rightist groups seeking to destabilize the democratic process begun on 14 January 1986," after 2 decades of military regimes.

Police sources reported that Barillas, ambassador to Spain during the first 2 years of Cerezo's administration, which began in 1986, was gunned down by unidentified persons as he was returning to his home in the southern part of the capital after taking one of his daughters to a nearby bus stop.

Official reports indicate that the attackers, who were traveling in two vehicles with tinted windows, had been waiting for Barillas since very early in the morning. The political leader managed to avoid the first shots that were fired at him and took refuge under a parked car, where the assailants pumped 6 rounds into him.

Barillas, 50, was secretary general of the PDC from 1970 to 1974.

President Cerezo and Alfonso Cabrera, PDC secretary and presidential hopeful for that party, went to Barillas' home where they vehemently condemned the crime.

Cabrera termed those responsible for the killing "cowards," and said that the crime is part of a terrorist wave that has gripped Guatemala for over 15 days.

Barillas was a member of the Guatemalan delegation that participated in a meeting with leaders of the Guatemalan National Revolutionary Unity (URNG) held in Madrid, Spain, in October 1987, when he was ambassador to that European country.

After leaving that post last year he was appointed by President Cerezo as director of the so-called "metropolitan development councils," which provide refuge for peasants affected by the counterinsurgency struggle.

### Defense Minister on 'Preelection' Violence

*PA0208004689 Guatemala City Teleonce Television in Spanish 0400 GMT 1 Aug 89*

[Text] The defense minister [Hector Gramajo] has given his opinion on the cause of the recent terrorist buildup in Guatemala, including several bombings in Guatemala City.

[Begin Gramajo recording] Unfortunately, it is well-known that such activities are expected in Guatemala during preelection campaigns. If you review Guatemala's recent history, you will note that there was a similar situation during the time of Arevalo, 18 months before turning over power. This was also the case with other campaigns, always 18 months before the change of government.

Unfortunately, there is not much we can do during the preelection period. There are always extremists, either to the left or to the right, and this is what they will do to achieve power, regardless of what happens, because they have no capability of winning the elections in the first place. Also, they are only interested in fomenting violence and insecurity, because they avoid other topics that are necessary for the development of Guatemala, such as housing, food, and employment. There are many topics that can be used during electoral campaigns, but it is easier for them to foment insecurity during the preelection period. [end recording]

### Cerezo Explains Privatization of Airline

*PA0208025189 Guatemala City Teleonce Television in Spanish 0500 GMT 1 Aug 89*

[Speech by President Vinicio Cerezo Arevalo; date and place not given—recorded]

[Excerpts] Dear Guatemalan friends: Today, I want to talk to you about AVIATECA [Guatemalan national airline]. Just 10 days ago you started to read about this in the newspapers and hear about the discussions in the Congress of the Republic, and there have also been statements by members of the cabinet. This all has to do with the privatization of AVIATECA. Privatization means that a state enterprise becomes a private enterprise. There have always been great theoretical discussions about this topic. Many feel that all state enterprises should become private enterprises. Others insist that the problem of turning all state enterprises into private enterprises is that some would make their services so expensive that many people would not be able to afford them, particularly people in the low-income bracket. [passage omitted]

In the past, AVIATECA urgently needed the state to finance its operations to the point that AVIATECA owes the government of Guatemala 29 million quetzals. Thus, it does not have sufficient credit to grow, to purchase more planes, or to train and improve personnel. It has restricted its growth. This is why mixed enterprises are formed, so that the enterprises will not be all state-owned or privately-owned. In this manner, they can surpass the obstacles that hinder the growth of an enterprise and it will be able to serve the nation.

AVIATECA only has two planes. It has difficulty flying to El Peten [word indistinct] everyday, and frequently for helping [words indistinct]. It has difficulty making all of its daily flights to Miami, Los Angeles, New Orleans,

and other parts of the world because it has only two planes. Planes, like all machinery, wear out and must be given frequent maintenance for the safety of the passengers. We would like to fly to Central America, but we cannot do it. We want to go to Mexico more frequently, but we cannot make it. We would like to go to Acapulco, Chicago, and New York. We also believe that we should be able to fly to Europe. Why cannot Guatemalans fly on their own national airlines to Europe, like the president of the Republic did in 1986?

On that occasion, we showed that AVIATECA could do it, because it had the necessary pilots, adequate service, and the experience. Why can we not do it? Because we need more planes, modern planes. Do you know what a new plane like the one we have now costs? The one we have now is a Boeing 737 [words indistinct] good quality. A modern plane of this same type costs $30 million, approximately. We want to buy two to increase AVIATECA's capacity, therefore we would need $60 million. AVIATECA owes the government and many other entities a considerable amount. In addition, it would need a loan and the government would have to endorse a purchase of $60 million.

If we want to go to Europe, we need to purchase a wide-body plane, a plane that can cross the Atlantic Ocean and visit several countries in Europe. How much would we need for that? About $90 million. Two new 737's, plus one big plane for flying to Europe would represent a debt to the nation of $150 million. In addition, it would mean training more pilots and other personnel on the new technology and the new machines; this represents too much money and a very big investment. It cannot be done if it is a state enterprise. Therefore, we had to change AVIATECA into a new private, mixed enterprise with state shares. In this manner, it would grow for the benefit of the nation and would not represent a new debt for the Guatemalan state. AVIATECA should be able to solve these problems.

That is why, dear friends, we made a decision to create a new type of enterprise, a mixed enterprise with national investment, with national capital, and foreign money—if necessary—to grow and solve a Guatemalan problem. [passage omitted]

Therefore we decided that the following steps should be taken. First, we should protect national interests above everything else; do anything necessary so Guatemala can have a modern, profitable, and active airline. Second, we should encourage the participation of the private sector, because this sector is experienced in business, can make the airline more active, and has the necessary capital to make it grow. Third, we should protect workers' rights. We have assured them that they will not be laid off just like that. They will receive compensation and be hired by the new corporation, as we have explained to them.

In addition, we had to guarantee to them something fundamental, that the operation to be concluded was legal and crystal clear. We knew a lot of rumors would be spread, that this was a shady deal, that we would surrender the nation's interests by supporting the purchase of planes, thus committing the state's assets, and many other things. [passage omitted]

We reached the conclusion that AVIATECA, because of its commercial value, its book value, once it has paid off its debts, could be worth 50 million quetzales at present. We are going to create a corporation worth 50 million quetzales. The shares will be registered, so people will not think unknown persons are managing the corporation behind the scenes to the detriment of the country's interests. Quite the contrary. As I have said, the shares will be registered in the name of specific persons, according to a contract and the legal requirements stipulated by Guatemalan law.

We formed the commission that the law demanded. This commission had to liquidate AVIATECA, in other words, ensure that its accounts were correctly registered and up to date so we could determine exactly what we would do with the new corporation. In addition, we could let the state participate, but not possess the majority of shares. This would instill trust in the people. Consequently, we decided to register 25 percent of the shares in the name of the government and 75 percent in the name of individuals. At this point, we encountered something truly interesting. Several companies became interested, but only one of them, TACA [international airlines], specifically proposed in writing buying 49 percent of AVIATECA's shares. We studied the proposal, but, because we did not want a (?single) corporation to control the national airline—this Central American company is reliable because it has many interests in Guatemala, but it is Salvadoran—we replied we were willing to let it have 35 percent of AVIATECA's shares. We would offer the rest of them to private shareholders. They agreed. We then struck an agreement with them on the sale of shares of the new corporation because of the interest they have shown and because they have the necessary capital, knowledge, and experience. In addition, they have marketing expertise. This is a Central American airline with which we can deal on better terms than a large airline or corporation with a large economic capability. Indeed, TACA will be able to talk to us in terms of relative equality because of its considerable knowledge in this field. [passage omitted]

The state will have an airline that will bring in more tourists without fear of undesirable consequences or the growth of other airlines. We will have a better national airline with advantages for the government and growth capability. This will be an honest business. Every detail of this corporation can be looked into. We will report to the Congress and the private enterprise. Finally, we will invite Guatemalan businessmen to participate in this new adventure to make Guatemala grow and modernize.

### * Father Giron Encourages Illegal Land Seizures

*32480183c Guatemala City PRENSA LIBRE in Spanish 20 Jun 89 p 7*

[Text] Father Andres Giron has urged Cajola peasants to remain as squatters on part of the Coatunco estate and to till the land there.

The peasants invaded the land, owned by Mariano Arevalo Bermejo, on 23 May. Some 350 people from Cajola, Quetzaltenango occupied it at the urging of two deputies and other authorities.

Mr Arevalo, who has shown that he owns the land that the people from Cajola have seized, filed suit in local court. Lower court number two, which is hearing the case, ordered the three leaders of the group arrested; they are being held in Coatepec jails in court custody on charges of illegal seizure.

Arevalo Bermejo was interviewed about the involvement of Father Andres Giron in the incident involving the Cajola peasants. He said: "I have the impression that death, wearing a white cassock, is provoking a bloody confrontation that could cause a great deal of sorrow unless a stop is put to the provocation of anarchy."

Father Giron arrived at the Coatunco estate in two vehicles and with filming equipment. He urged the peasants to stand firm and virtually ordered them to plant crops. The case is being heard in local courts, which could at any moment order the peasant squatters evicted.

## * Reportage on Guerrilla Activities

### * Police, Military Attacked

*32480183b Guatemala City PRENSA LIBRE in Spanish 20 Jun 89 p 8*

[Text] The Guatemalan Army has reported that guerrilla forces of the URNG [Guatemalan National Revolutionary Unity] were involved in various actions in the town of El Porvenir in the municipality of San Pablo, San Marcos, and in San Miguel Duenas, Sacatepequez.

According to the official army report, at 0400 hours yesterday a group of guerrillas harassed the military detachment in El Porvenir with artillery fire, endangering the lives of numerous individuals.

The guerrillas, the report says, used automatic rifles and "Chinese-baton" style missile-launchers.

Mrs Alicia Lopez Chun was seriously wounded during the attack, the military report adds. She had to be taken to a nearby medical center for treatment.

Separately, at 2300 hours on Sunday the 18th, another group of guerrillas attacked the National Police substation in the municipality of San Miguel Duenas, Sacatepequez.

Twelve-year old Brus Wilson Medina Barrera lost his life during this guerrilla attack.

In addition, the report says, Carmen Gonzalez de Barrera, Carmen Rosa Barrera Gonzalez, Nohemi Jerez Bran, and Anabella Ramos Cabrera, 51, 21, 16, and 12 years of age respectively, were seriously wounded; they were taken to the Antigua Guatemala national hospital.

### * Peten Highways Cut

*32480183b Guatemala City PRENSA LIBRE in Spanish 28 Jun 89 p 16*

[Text] Guerrilla groups have been cutting off vehicle traffic in recent days along the Cerro Colorado-Sabaneta-Dolores highway in Peten, reports from that department indicate.

Last Friday, it is reported, a group of guerrillas blocked vehicle traffic from 1300 to 2000 hours, thus disrupting the population's normal activities.

To block automobile traffic the guerrillas force buses and trucks to stop and then to position themselves across the highway.

During last Friday's blockage the driver of one truck did not obey their order to stop and tried to drive on. The guerrillas then decided to machine gun the truck's six tires, the report says.

The locals and drivers who have been affected feel that the guerrillas are trying to harass the army and the Civilian Self-Defense Patrols and get them into an armed confrontation. Indications are, however, that there has been no major fighting so far.

### * ORPA Offensive

*32480183b Guatemala City EL GRAFICO in Spanish 27 Jun 89 p 3*

[Report by special correspondent Ricardo Gatica Trejo]

[Text] San Andres Chimaltenango, 27 Jun—Paratroopers from the rapid-deployment battalion in the port of San Jose military zone in Escuintla have been mobilized in this zone, which has been beset by violence for several months now.

The paratroopers, armed with modern M-16 rifles, were trucked into the region from their military zone and immediately mobilized in specific areas of operations in support of the offensive and search being conducted by personnel from military zone 302, whose headquarters is in Chimaltenango, the department capital.

The paratroopers even came into contact with a guerrilla group, and fire was exchanged; one soldier was wounded and taken to the hospital in Chimaltenango.

Guerrillas, apparently from the ORPA [Revolutionary Organization of the People in Arms], have launched an offensive in this region, which encompasses the departments of Chimaltenango, Sacatepequez, and Escuintla.

The guerrillas have been active in the towns of Alotenango, San Miguel Duenas, Parramos, and Palin, in the aforementioned departments. They engage in political propaganda and have also seized weaponry belonging to personnel at police substations.

From Sunday the 18th to Sunday the 25th the guerrillas seized 10 carbines, 10 handguns, and ammunition during their operations in the aforementioned towns.

### * Guerrilla Captured

*32480183b Guatemala City PRENSA LIBRE in Spanish 25 Jun 89 p 2*

[Text] A suspected guerrilla has been captured by residents of the municipality of San Andres Itzapa, Chimaltenango; he is accused of the kidnaping and subsequent murder of Mr Alberto Callejas, which took place between Tuesday and Thursday of last week.

Eleodoro Sal Quinajay, 23, was arrested last Wednesday in the same municipality and immediately placed in the custody of judicial authorities.

Sal Quinajay is being held in Chimaltenango jail. The children of Mr Alberto Callejas, the kidnap and murder victim, will appear as formal complainants this Monday the 26th.

Eleodoro Sal Siquinajay [as published] was brought before the population of San Andres Itzapa during an act in the town's central park.

During the public act Sal Quinajay confessed to being a member of the ORPA [Revolutionary Organization of the People in Arms] guerrilla group and admitted to having been involved in the kidnaping and murder of Mr Alberto Callejas.

He also said that he had been involved in the massacre of 22 peasants from the town of El Aguacate last 25 November.

The widows of the slain peasants were present during the public act and asked for details of the incident and the names of those involved.

Sal Siquinajay told the widows that the El Aguacate massacre had been ordered by "Commander David," the chief of the ORPA in that region, and that Otto Siquinajay Mendoza, alias Pio, and Margarito Siquinajay Quixal, alias Margarito, had been involved in the incident.

He added that Siquinajay Mendoza and Siquinajay Quixal worked as bricklayers in the capital and that although he was involved in the massacre, he was only following orders from "David."

The justice of the peace in Chimaltenango, Luis Alfredo Dardon de la Riva, questioned the suspected guerrilla, Eleodoro Sal Siquinajay, for 4 hours yesterday as part of the judicial inquiries into the alleged kidnaping and murder of Mr Alberto Callejas, who was one of the witnesses to the massacre of peasants in the town of El Aguacate last November.

The judge said that the file of the presumed guerrilla's case arrived in his office so that he could immediately begin judicial proceedings. In keeping with security measures, the judge went to the Chimaltenango departmental prison-farm where Sal Siquinajay is being held.

He added that he interrogated him for 4 hours inside the prison, posing more than 200 questions to him; he declined to give further information, however, because the proceeding is in its preliminary hearing stage.

Dardon de la Riva went to the Chimaltenango military zone yesterday and immediately began inquiries to locate the body of Mr Alberto Callejas, who was presumably killed on Wednesday.

He reported that as soon as the body is found he would go there to draw up the necessary document.

He stated plainly that at the moment no accurate information is available, inasmuch as everything is rumor.

Separately, it was reported in San Andres Itzapa, Chimaltenango that the relatives of Mr Callejas are searching for the place where his killers allegedly buried him.

Locals said that the body was buried in a place called La Terronera in the mountains between San Andres Itzapa and Chicasanga.

### * National Drug Abuse Program Proposed

*32480183a Guatemala City EL GRAFICO in Spanish 19 Jun 89 p 5*

[Report by Bernardo Solares, Jr.]

[Text] Guatemala City, 18 Jun—Deputy Carlos Gonzalez Quezada (PNR) [Reformist National Party], the chairman of the congressional Health Committee, says that a national policy should be adopted to resolve the problem of drug use and abuse in our society.

To this end he recently distributed a document containing a major study of his to members of Congress.

The study, which he conducted some years ago, could be useful right now, as legislators are considering a bill by Representative Hector Luna Troccoli (UCN) [National Center Union] to create the National Commission Against Drugs.

"This brief," Gonzalez Quezada says, "could serve as the backbone of or starting point for the national policy to be pursued, in order to resolve in part the problem of drug use and abuse."

The document is based on the experience that the author himself has gained by attending national congresses about the drug problem, on polls among some 14,000 intermediate-level students in the capital, on information from associations of anonymous drug addicts, on observation visits to narcotics agencies in the United States, and on clinical observations of more than 500 drug addicts between the ages of 9 and 23.

Gonzalez Quezada says that drug addiction is a social disease that affects every segment of the country, but young people in particular. It is a comprehensive phenomenon, and, therefore, must also be studied and resolved comprehensively.

The following are some of the recommendations that the chairman of the congressional Health Committee has made to his colleagues:

—Technical planning should begin on a comprehensive, ongoing national program that takes an objective approach, aims at practical solutions, and is affordable for government.

—This program should be designed to investigate, prevent, educate people about, and treat the social problem of drugs.

—A multidisciplinary team that has the financial and technical resources needed for the job must take part in designing and implementing this program.

—The State, through the Presidency of the Republic and individual ministries, universities, autonomous and semi-autonomous agencies, private enterprise, the press, and the community should implement and develop this program.

Gonzalez Quezada suggests that the following be directly involved: the Presidency of the Republic, the Ministry of Education, the Ministry of Public Health and Social Welfare, the Ministry of the Interior, the Ministry of National Defense, the Ministry of Labor and Social Security, the Ministry of Foreign Relations, the Congress of the Republic, the Guatemalan Social Security Institute, and other public and private agencies that deal with the drug problem....

## Honduras

### Azcona Says Contra, FMLN Issues 'Different'

*PA0208030089 Panama City ACAN in Spanish 0131 GMT 2 Aug 89*

[Text] Tegucigalpa, 1 Aug (ACAN-EFE)—Honduran President Jose Azcona Hoyo said today that the problems concerning the Nicaraguan contras and El Salvador's Farabundo Marti National Liberation Front (FMLN) guerrillas "are two completely different cases."

The contra problem centers on the fact that "they have sought sanctuary inside Honduran territory and are not fighting in Nicaragua; whereas the FMLN is fighting within its own country," Azcona said, while leaving the National Security Council meeting convened to discuss matters related to the 5-7 August Central American presidents summit to be held in Honduras.

The president said, "If we wish, both issues could be given equal treatment in a general sense. However, these issues must be discussed separately, because they involve two completely different cases."

Azcona added that he will support Salvadoran President Alfredo Cristiani's request for help in demobilizing the FMLN. Cristiani is expected to make this request during the summit. The Honduran president said that it is necessary for the Sandinists to sit down and talk with the contras and for the FMLN to sit down and talk with Cristiani in order to achieve regional peace.

The president announced that he will go to the summit with a "completely open mind," and that Nicaragua's internal democratization and the charges that Nicaragua brought against Honduras before the International Court of Justice will be among the issues discussed at the summit. Two years ago, Nicaragua brought charges against Honduras for offering the use of its territory to the Nicaraguan contras.

Azcona stressed that Honduras did not create the contra problem and that if the contras do not leave the country voluntarily, "The only way to get the contras out of the country is to fight them and throw them out of the country at gunpoint." Azcona added: "However, this would represent a loss of Honduran lives, and that is a price we will never pay, because that would be absurd and unpatriotic," Azcona said.

Jose Azcona reiterated that his government will not unilaterally demobilize the Nicaraguan contras because all five Central American presidents made the commitment to demobilize the contras. The president said that if the contras refuse to return to Nicaragua—even after social guarantees have been made—"then we will have to find a way for them to go to third countries, and we will then need the help of other countries which, in one way or another, have been involved in this problem."

Azcona explained that the demobilization of the contras will depend on procedures to be established during the presidents summit, and that the essential issue is not whether the demobilization takes place before or after the Nicaraguan elections in February.

The Honduran president added that he will make no further mention of Nicaragua's democratization. "We want international organizations or ad hoc committees to be the ones to evaluate that situation; in other words, we disqualify ourselves from discussing the internal democratization in that neighboring country," Azcona said.

At the presidents summit, Azcona will propose that international organizations or "ad-hoc" commissions determine whether Nicaragua meets the conditions for demobilization and whether it has abided by the Costa del Sol, El Salvador, agreements signed on 14 February.

**Regalado on National Dialogue, Demobilization**
*PA0208013189 San Pedro Sula LA PRENSA in Spanish 31 Jul 89 p 2*

[Report by Maria Orbelina Lopez]

[Text] Tegucigalpa—General Humberto Regaldo Hernandez, Honduran Armed Forces Commander in Chief, has stated that the plan to demobilize and repatriate the contras would have the support of the Central American presidents and the cooperation of international organizations. This way, when the contras return to Nicaragua, they will receive the guarantees fully discussed in the presidents' agreement.

In line with their constitutional duty of defending national sovereignty, the Honduran Armed Forces are capable of and have up-to-date plans for performing this task, Regalado said, as happened last year when Sandinist People's Army soldiers entered the country. Referring to the upcoming summit of Central American presidents, he said he hoped that the new meeting would produce positive results, such as the demobilization plan, to ensure "that these people are not treated in Nicaragua in any way different from the terms established in the peace plan," and that an international organization like the OAS receives their weapons. As for the possibility of a clash between the Honduran Armed Forces and the contras over the latter's removal, he said that the Honduran military hopes that the five presidents will share equal responsibility in solving this problem, as they agreed in Costa del Sol, El Salvador, on 14 February 1989.

On the topic of the country's current crime wave, he said: "The Armed Forces are really worried about the crime rate that is also alarming the people," especially in highly populated major cities. For that reason, the Army will go out into the streets again to support the Public Security Force, he said. Gen Regalado noted this decision has the approval of the National Congress, based on a request made early this year to let the Army perform police duties to ensure the tranquility of the people. Foreign gang members involved in car thefts and armed robberies have the gall of stating that they do not work in Honduras, but in other countries, and that they come here to rest. Before going to the streets to confiscate weapons, search vehicles, and check personal documents, the military police are going to receive intensive courses on dealing with the people to avoid incidents and delays provoked by such operations.

He complained that young men are reluctant to serve their obligatory military service, despite repeated calls through diverse media urging them to go to their closest military unit to replace those who have already served. However, this does not mean the Army is lowering its guard. In recent months, migration authorities have prevented foreigners from entering the country with forged documents and have deported Cubans and Libyans whose documents showed irregularities.

After admitting that operations to disarm people have not yielded the expected results in the cities, he said that in the interior of the country this silent work is successful. That is why intelligence personnel were transferred to diverse points of the country to perform this mission in cooperation with local authorities.

When asked what happens in the capital, he replied: "We work hard here, but when criminals hear about the operations they do not come out, go elsewhere, or stop carrying weapons. We have seized weapons from people without a permit, but who must have them because of the nature of their jobs."

His flights over low income areas allowed him to note with concern that rows of shantytowns, lacking the most basic services, seem at times to be asphyxiating the center of the city.

Moreover, Gen Regalado feels the participation of the National Reconciliation Commission is important in the meeting he will promote among the top command and representatives of organized sectors of Honduran society to jointly seek a solution to the crime problem, as he announced on 20 July.

The Armed Forces commander in chief reasserted that the meeting will be held soon, and he is working hard with his closest aides to prepare a plan of specific goals and actions that must be carried out over a reasonable amount of time so that the dialogue does not become a simple exchange of ideas.

Nevertheless, Gen Regalado is puzzled because certain critics have rejected the idea of organizing the neighborhoods. Consequently, he will meet with leaders of all the groups so that they may learn the extent of the violence, based on military intelligence information.

All this, plus the report that the National Reconciliation Commission presented to the government authorities on the causes, conclusions, and recommendations to counter this social problem, will help carry out his initiative.

The military officer is firmly convinced that problems will be solved through dialogue and not by force: "I do not believe that the country's development will be achieved if we kill each other," he said when referring to the role of the leftist groups that will be included in the dialogue. According to military intelligence reports, the disputes among these groups to achieve power are not so alarming, compared with some neighboring countries.

"There is still time. If they truly love Honduras, they should join the efforts to solve our problems and seek the welfare of the Honduran people, who have shown that they love peace and democracy. Proof of this is the freedom that the citizens have to state their views and join the parties they want."

Gen Regalado reasserted the Armed Forces' constitutional role of guaranteeing a turnover in the exercise of the presidency and the exercise of the people's right to vote. He urged the political parties' rank and file to prove that the Honduran people can live in a democracy and that the people can freely elect a president every 4 years.

He said that, even though the political campaign sometimes "gets somewhat brash" it is part of the motivation that the party leaders want to give their fellow party members. Consequently, the party leaders acted appropriately when they urged their followers to control themselves, because this is a civic struggle in which the most capable man—and not the one who offends or shouts the most—will be elected president.

### Communique Issued on FMLN Weapons Cache

*PA0108213589 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 1 Aug 89*

[Communique issued by the Armed Forces Public Relations Directorate in Tegucigalpa on 31 July]

[Text] 1. Two underground weapons caches were found on Saturday afternoon [29 July] during a joint Department of National Investigation, DIN, and Cobras Squad operation in El Mulular, Cedros municipality, Francisco Morazan Department. The caches were concealed with sugarcane plants near irrigation ditches.

2. The caches contained 60 Soviet-made AK-47 rifles, 51 bayonets, 180 clips, and a large amount of gear, which had been carefully protected with heavily oiled plastic bags. They formed part of the weapons shipments that are being sent from Nicaragua through the Honduran departments of Olancho, El Paraiso, Francisco Morazan, Comayagua, La Paz, Intibuca, and Lempira to supply the subversive criminals of El Salvador's Farabundo Marti National Liberation Front.

3. During the combing operations, law and order officials ordered a yellow Datsun pickup, with license plate No P-100418, to stop when it was observed to be moving suspiciously through the area. The pickup tried to speed away from the area but got stuck in the mud; its occupants then tried to flee. An individual identified as Mauricio Ernesto Hernandez Rosales was killed in the chase, while the other seditious individuals fled through the thick brush.

4. For some time, Armed Forces intelligence and investigations services have been receiving information about weapons shipments Nicaragua has been carrying out through the national territory to supply the subversives in El Salvador. The final destination of these shipments is the Salvadoran refugee camps located near the southwestern border with El Salvador.

5. Cobras Squad and DIN members continue to comb the areas near the site of the weapons caches in an attempt to locate the seditious individuals involved in the weapons shipment.

Tegucigalpa, 31 July 1989

[Signed] Armed Forces Public Relations Directorate

## Nicaragua

### Ortega Sends Garcia Congratulatory Letter

*PA0108221589 Managua BARRICADA in Spanish 30 Jul 89 p 5*

[Letter from President Daniel Ortega to Peruvian President Alan Garcia on the occasion of the 168th anniversary of Peruvian independence—date of letter not given]

[Text] His Excellency

Alan Garcia

Constitutional President of Peru Dear President and friend:

On behalf of the Nicaraguan people and Government and on my own behalf, I take the occasion of the 168th anniversary of Peruvian independence to send you our warmest congratulations, as is proper between fraternal countries.

I believe that it is opportune on this important date to renew our faith in the visionary ideals of the liberators Jose de San Martin and Simon Bolivar, who lit the flame of independence and Latin American integration.

I wish to emphasize, my dear friend, that Peru's work as a member of the Contadora Support Group and the Group of Eight and its endeavor to find genuine solutions to our region's serious political, economic, and social problems reflect a Latin Americanist position.

Fraternally,
Daniel Ortega Saavedra

### OAS To Send Over 200 Electoral Observers

*PA0108225989 Hamburg DPA in Spanish 1621 GMT 1 Aug 89*

[Text] Managua, 1 Aug (DPA)—The OAS will send over 200 observers to Nicaragua throughout the duration of the Nicaraguan electoral process that will culminate on 25 February 1990, election day.

Mario Gonzalez Vargas, coordinator of the observers' group, has confirmed the above after reaching agreement with the Supreme Electoral Council (CSE), the state authority that is organizing the Nicaraguan elections.

The first 18 observers out of the 200 to be sent by the OAS will arrive in Managua next Friday. They will be assigned two each to the nine geographic regions of the country, where about 4,200 voting polls will be established.

Gonzalez Vargas, a former Colombian parliamentarian and an expert on electoral campaigns, said that the CSE of Nicaragua will prepare to implement the electoral and communications laws.

Tomorrow, the parliament will discuss a draft law on the administrative and political division of the country that will delimit the geographic areas of the 143 municipalities that exist in Nicaragua's 17 provinces.

On Thursday, President Daniel Ortega will begin a dialogue with the 21 legally registered parties to gather information concerning the guarantees necessary for participating in the 1990 electoral process.

### * La Prensa Underscores Need for Summit

*32480186b Managua LA PRENSA in Spanish 27 Jun 89 p 2*

[Editorial: "Sandinists Do Not Want a Summit in Honduras"]

[Text] Nicaragua has started a war of dates for the next summit meeting of Central American presidents in a bid to prevent the region's chief executives from getting together. It is no accident that Nicaragua provoked Honduras by accusing it of being a "narco-state"; this is in keeping with a full-fledged scheme that the FSLN [Sandinist National Liberation Front] has been concocting to abort the presidential meeting.

If another meeting among the presidents of Central American were to be held, they would evaluate the progress of the move towards democracy and peace in the region, the most immediate background to which is the Costa del Sol declaration of this past 14 February. Therefore, the focus of diplomatic tension would again be Nicaragua.

President Ortega's main promises, a reform of electoral and press legislation, would be up for evaluation by the finest international observers in this case, the architects of the document itself: the Central American presidents. Previous promises included in the Esquipulas II documents would also be examined at this summit meeting, which will accept no more documents, promises, or pledges that are not made good afterwards.

Thus, the only loser will be the party that will again be seated in the dock, the Sandinist National Liberation Front, which so far is pleased with the position it is in: a deactivated Contra, whose leaders are now heading for Nicaragua, a strong but intimidated opposition, little international criticism of it after the Costa del Sol accords, and Sweden's underhanded offer as its new godfather in the battle against the economic crisis.

If one thing is certain, it is that the demobilization of the Contras is not in the interest of the FSLN, even though it so proclaims. On the contrary, besides encouraging them to stay in Honduras by not offering the former combatants guarantees, the FSLN has used them as a pretext not to democratize the country. Moreover, the appeal by El Salvador's new president, Alfredo Cristiani, which was backed by Honduras and Costa Rica, that Nicaraguan and Salvadoran guerrillas demobilize simultaneously, has introduced a major new element into this issue and into the accords themselves, making Ortega himself directly responsible for seeing to it that this new commitment is eventually made good. It is not in the Sandinist Front's interest either to have the Central American presidents evaluate the steps that the Nicaraguan Government has taken since 14 February, because it will be unable to explain to its democratic colleagues the implausible measures that constitute the three pillars of a fraud that just looks like a free election: an unbalanced Supreme Electoral Council, a committee to monitor the mass media that is chaired by the chief of State Security, a ban on opposition invitations to foreign observers, and still worse, a refusal to let ambassadors, the representatives of those presidents, observe the electoral process.

Those who are thus pushing the process of democratizing and pacifying the region towards collapse are plunging an entire people into hunger, poverty, international isolation, and economic breakdown, thus bringing back the specter of the horrors of war. This forces the Central American presidents to design a new strategy and to implement it at the next summit meeting. To reject this last opportunity entails very serious responsibilities, such as the fate of the Nicaraguan people, who have so

far been ensnared by President Ortega's offer: more hunger and a definite possibility of making way for a new civil war that only his party, a minority, wants.

to the numerous pieces of evidence that have exposed their wretched status as peons in what was until recently the "covert war" against Nicaragua.

Following Washington's orders and finding itself having "to either fish or cut bait," the extremist right has had no choice but to make room for the Contra chieftains who until recently Dwere in Miami or Tegucigalpa. Therefore, in thwere in Miami or Tegucigalpa. Therefore, in the twinkling of an eye the sudden new member of the PSD [Social Democratic Party], Alfredo Cesar, became the party's main leader, whether Mr Guillermo Potoy likes it or not.

This also explains the behavior of certain professional economists who of late have gone about deliberately playing up the "new trends" in the Yankee strategy of aggression, in other words, the shift from "covert war" to "overt operations."

While the State Department's director of political planning, Luigi Einandi, offers the hypothesis that "the economic crisis and the continuing Resistance are factors in the equation," the economists for hire work out the equation and arrive at the inspired "solution" that to end the crisis the EPS [Sandinist People's Army] has to be dismantled.

Could there be any attacks that are more overt than these on national interests? There certainly could—even more barefaced than the one by the small-minded economists turned politicians. The former Contra chieftain Alfredo Cesar remarked recently in the Guard's newspaper, without beating around the bush, that "this aid (from the NED [National Endowment for Democracy) must not be covert."

And the current leader of the PSD is speaking in these terms not because he just feels like it. His remarks are based on the fact that for some time now the Pentagon has been working on the concept of "overt actions," using a number of specific practices and courses of action, several of which are derived from the experience that the CIA has gained in Chile, the Philippines, and Panama.

Why, for example, did the extremist right start to scream at the top of its lungs when the revolutionary government issued an official communique about the observers at the elections and about what the Vienna Convention officials in connection [illegible] Democratic Institute for International Affairs (NDI), Michael Stodderd and Mark Beerstein: "Influence in the (electoral) process is more effective when it is exerted before election day."

However, some Yankee officials who are supposed to follow these guidelines went too far and stuck their noses where they did not belong and for too long. This is what happened to Joe Cassman and Kathleen Williamson happened to Joe Cassman and Kathleen Williamson Barmon, whom the Nicaraguan Government expelled when it caught them red-handed in destabilizing activities designed to tarnish the electoral process.

The visit by the Chamorro women to Washington, where they had personal talks with President Bush, also fits the picture. This is one of the ways of making "overt" a policy that has been a secret to no one, except for the formality lovers in the U.S. Congress before the so-called bipartisan consensus by which the aggression against Nicaragua was "legalized."

This explains the return of the sort of "newspeak" that Reagan made so popular during his administration, in other words, the endeavor to present the clumsiest lies as the purest truths and vice versa. This Goebbels-inspired practice has been a characteristic of rightist discourse in recent months.

Thus, inspired by "newspeak" and the advice of the U.S. Government's specialists, the right began its campaign to discredit the electoral process and the legal and constitutional actions associated with the elections.

The attacks were first aimed at the drafting and passage of the new Law of Means and then at the amendments to the Electoral Law. The proposed amendments had not even been discussed in the National Assembly when the right began to speak of "fraud" at the upcoming elections. And more recently, they have directed their fire at a consensus Supreme Electoral Council whose impartiality our society and the international community have widely recognized.

But as the saying goes, it is easier to catch a liar than a thief. And it has been the very documents of the U.S. Government and the American press that have exposed the "covert" involvement of extremist politicians in the "overt actions" sponsored by Washington.

The NED's dollars are only the most recent piece of evidence. And Cesar's remarks and the "solutions" of the right-wing economists are among the State Department's most overt outbursts about the "new" strategy of "overt operations."

*** Government's Mixed Economy at Crossroads**
*32480186c Managua BARRICADA in Spanish*
*24 Jun 89 p 3*

[Editorial: "He Who Throws Stones...Should Face the Consequences"]

[Text] The three high-level officials of COSEP [Higher Council of Private Enterprise] who had their estates expropriated are merely reaping what they themselves sowed. What else could they expect when they have devoted themselves to the far from patriotic task of pulling the rug out from under the national effort at an economic consensus? Now at least, stripped of their oversized garb of "producers," they will be able to fully play their role as extremist politicians.

If Messrs Bolanos, Aleman, and Cuadra decided to bet on the Yankee policy, they knew what they were doing all along. Only, as bad gamblers, knowing the outcome, they decided to "up the bet" to destabilization and foreign meddling.

So then, the reckless idea of Churruco Bolanos (not the Bolanos of this affair) that the more the state involves itself in production efforts, the more COSEP will involve itself in political matters, does not seem to be too successful, in spite of all the subsidies that the embassy may generously provide them.

There are more than enough reasons for events to proceed in a direction away from COSEP's black and white reasoning. In the first place, in its program the Revolution has designed a mixed economy model not as a temporary but as a strategic component in which all social sectors and economic agents have a place. And second, U.S. aggression has placed this model at a crossroads: either defend the mixed economy or install a war economy.

So far the Government of Nicaragua has done everything in its power to preserve the mixed economy model in the midst of the war and to establish an equitable relationship among workers, producers, peasants, businessmen, laborers, the public sector, and the private sector in the quest for economic stability.

This quest has led to the need for a patriotic, national consensus to stand up to the sabotage that the United States is promoting. Such a consensus merely means "coming to terms on some basic issues to rescue the country from the economic crisis," without any segment of society having to renounce its objectives or principles. As BARRICADA said in its editorial on 21 April, this is the quest for a "national consensus to share patriotic responsibilities in defending the mixed economy, by setting aside political debates and partisan interests."

But what has the top echelon of COSEP been systematically doing? Exactly the opposite of what the common denominator among producers and workers ought to be, something that should be of no concern to a group that purportedly represents private enterprise. COSEP has wallowed in political totalitarianism in the guise of being private businessmen, thus harming the interests of real businessmen and producers. COSEP, as a political group, has come into open conflict with the interests of producers.

Two recent and unwonted examples illustrate the political character and dictatorial behavior of the COSEP top echelon: the expulsion of the president of the dairymen who belong to Fondilac [Dairy Industry Development Fund], businessman Juan Diego Lopez, and the bid to remove the coffee growers from the National Coffee Commission.

Juan Diego Lopez was expelled from COSEP by Ramiro Gurdian as a "strong-arm measure." The reason: he had committed the mortal sin of traveling to Sweden with President Ortega's delegation to seek aid to reactivate the national economy (read, aid for the private producers themselves as well).

The other case, the northern coffee growers, also involved a strong-arm measure; it was designed to hurt the coffee producers, who these days need to devote themselves entirely to crop growing efforts on their plantations, and as an overt attack on the country's main source of foreign exchange.

If the members of COSEP just sat back and watched as Gurdian expelled Lopez, that is their business and the business of those self-styled "democrats" who boast of their democracy. But if the COSEP politicians want to openly join the process of political destabilization and economic sabotage, that's a different matter.

In making this sort of move COSEP has taken a step towards political confrontation by endeavoring to sow the seeds of anarchy among producers. Such an action cannot go unanswered, especially if we bear in mind the enormous sacrifice that the workers are making in defense of the mixed economy model and economic stability.

Just as the search for a consensus does not give mercenary politicians carte blanche, the tolerance with which the revolution has been proceeding is not synonymous with weakness. If the gentlemen from COSEP claim to be producers, then they ought to produce and allow others to produce as well. But if they act like extremist politicians dancing to the tune of Yankee aggression, then they ought to acknowledge their responsibility for throwing pumice stones, just as it is now up to the triumvirate of COSEP directors to respond.

## Panama

### Paper Claims U.S. General Under Investigation

*PA0108173489 Panama City MATUTINO in Spanish 1 Aug 89 pp 1, 18*

[Text] News reports say that the U.S. Senate is investigating U.S. General Fred Woerner, who recently retired from his post as chief of the U.S. Southern Command in Panama, circulated yesterday when details of charges against Gen Woerner were released.

His cash purchase of a property worth over $5 million in Miami and investigations into the sources of those funds—since Gen Woerner's salary was not sufficient to make such a huge purchase—are some of the things included in the investigation of Woerner. The authorities are investigating whether the money Gen Woerner invested comes from drug-trafficking activities, since U.S. Southern Command military aircraft made frequent trips to Bolivia that were not clearly identified as official U.S. Army missions. Woerner's wife is Bolivian.

His early retirement is said to have been the result of the above charges along with his failure to meet Washington's 1-year deadline for ousting Gen Manuel Noriega from the Panama Defense Forces command. The investigation mentions a lady, whose last name is Morris, as Woerner's collaborator.

### Resident Injured by Mine Left by U.S. Soldiers

*PA0108214189 Panama City CRITICA in Spanish 1 Aug 89 pp 1, 11*

[Text] Panamanian Pablo Rodriguez Vargas, 25, who resides in Arraijan, yesterday suffered serious burns over various parts of his body, especially his right arm, when a military explosive device (dummy grenade) irresponsibly left behind by the invading gringo soldiers exploded in his hands.

According to the victim, at the time of the accident, which occurred yesterday at noon, he was collecting empty cans near the "Arraijan curve."

He said that as he picked up cans, he spotted a transparent plastic bag with a can inside; when he put his hand into the bag, an unexpected explosion occurred.

Rodriguez said that although he did not immediately feel any pain, after a few seconds he saw that he was bleeding profusely and felt severe burning all over his body, particularly his right arm.

Residents in the area said that children frequently find "dummy grenades" left behind by U.S. soldiers.

They demanded the presence of Panama Defense Forces military experts to defuse the deadly devices, which have virtually mined the Arraijan area.

They stressed that the U.S. Army shows a lack of professionalism by irresponsibly leaving behind live ammunition.

### Editorial Criticizes Troops

*PA0108220389 Panama City CRITICA in Spanish 1 Aug 89 p 4*

[Editorial: "When Will This End?"]

[Text] Once again the irresponsibility of the invading U.S. Army soldiers and their lack of professionalism has taken another victim. A poor Panamanian almost lost his life when an explosive device, left by U.S. soldiers near an Arraijan residential area, exploded.

This is not the first time something like this has happened. The invading yankee Army's history of wicked and aggressive actions against our people includes several "accidents" that have caused death or serious injury to Panamanian youths. Yesterday's case sent Panamanian Pablo Rodriguez, 25, to a local hospital with wounds that will probably handicap him for the rest of his life. The indelible scars are proof of the aggressive and barbaric U.S. actions against peaceful and defenseless Panamanian citizens.

Incidents like this always occur when inexperienced U.S. soldiers abandon explosive devises in areas near the homes of Panamanians who live in Panama's sovereign territory that has been invaded by the Army of the world's largest warmongering nation.

Rodriguez is a poor Panamanian who makes a living for himself and his family by gathering and selling empty cans. He is a Panamanian who watches the U.S. soldiers' wargames as something completely alien to his peaceful way of life, regardless of how tough and difficult it is. The U.S. troops have tried to push us into a state of anxiety, but have been unable to do so. We are poor, but peaceful and have no interest in harming anyone. Thus, we demand the same right. We demand the right to live peacefully in our land, without interference from foreigners who think only about war because of their country's continuous warmongering actions against defenseless nations.

What is strange and unacceptable about this case is that all, absolutely all, the self-styled "human rights defenders" who have swarmed over our country like foul-smelling vermin—groups that pompously also call themselves "civic groups"—and the distinguished pastors of the Catholic flock have held an accomplice's silence about situations such as this, in which a Panamanian has been physically and morally injured in a war in which he is not a participant and in which he does not want to participate.

It is apparent that for these groups and sectors, this poor Panamanian who gathers empty cans is neither a human being nor does he have the right to walk freely on the land where he was born without fearing that a bomb will blow him into pieces, a bomb left by young, inexperienced soldier boys who do not know why their bigwig generals and politicians in Washington have engaged them in this war.

No, the simplest, most basic, and most Christian right does not exist for this poor man from Arraijan who almost lost his life yesterday and who today is in the hospital with horrible burns all over his body. He does not have the right to live in peace.

How long will we have to suffer so many humiliations at the hands of an Army that no Panamanian has called and that has only the acceptance of groups that favor treason and that are against the fatherland?

Will the irresponsibility of these modern barbarians go unpunished? Will their aggression against life, against the right of our people—our poor people—to live in peace ever cease?

When will this end?

**Ritter on U.S. Withholding Panama Canal Annuity**
*PA0208032089 Panama City LA REPUBLICA in Spanish 1 Aug 89 p 3*

[Article by Garritt H. Geneteau]

[Text] Panamanian Foreign Minister Jorge Eduardo Ritter has described as "terrifying and hair-raising" the U.S. action of withholding the Panama Canal annuity, amounting to approximately $121 million.

In an exclusive interview with LA REPUBLICA, Dr Ritter reported that the U.S. Government gave [former Panamanian President Eric Arturo] Delvalle $8 million—reportedly to be used by the embassies and consulates recognized by the U.S. Government.

"The most interesting thing is that U.S. federal authorities are investigating the whereabouts of the $1 million that have disappeared from those funds," Ritter said.

The foreign minister added that the $8 million given to Delvalle exceed the amount used by the Panamanian Foreign Service throughout the world, and he called this U.S. action "a dark page in the history of bilateral relations between the two countries."

Ritter said that Panama will inform the world about how far U.S. shamelessness has gone with regard to the use of the Panamanian people's money.

**Paper Calls for 'Maximum Security' to Thwart Bush**
*PA0208043189 Panama City LA REPUBLICA in Spanish 1 Aug 89 p 5*

["Vox Populi" column by Luis Restrepo: "The Obstacle"]

[Text] President George Bush's public admission regarding U.S. policy toward Panama reveals the empire's true intentions. When President Bush, with unbelievable cynicism, said that he "is frustrated" because the White House has failed in its attempts to remove General Manuel Antonio Noriega from his post as commander in chief of the Panama Defense Forces," [quotation marks as published] he is admitting that the Panamanian charges are true: the extent of democratization in Panama does not interest the United States. The United States is only interested in remaining in Panama after the Panama Canal Treaty expires in 1999.

President Bush went on to add: "I feel a great degree of frustration; there is no doubt about that." He categorically remarked: "The U.S. position is and will be that Noriega must leave."

This attitude shows that President Bush will stop at nothing to get what he wants. To President Bush, "Gen Noriega is an obstacle to U.S. interests in Panama, and this obstacle must be eliminated anyway."

This leads us to wonder what could happen—perhaps in a few days. President Bush is arrogant. He considers himself to be superior to anyone else on this planet. He is a staunch defender of "manifest destiny." He is the emperor on the Potomac. Proud and arrogant, he feels frustrated by his inability to suppress the Panamanian people's determination to fight. He believes that Gen Noriega's nationalistic leadership must be destroyed and that he, Bush, is destined to fulfill this task.

Everyone knows that with this frame of mind, President Bush will not think too much before taking measures of unforeseeable consequences for Panama and its patriotic people. He knows that he has the most sophisticated weapons with which to attain his goals. He thinks that Panamanians are incapable of defending themselves and that a military invasion of Panama will be another easy thing to do, just as it was easy to invade Grenada.

I believe that therein lies the danger. Maximum security measures must be taken. People must be trained as to what actions to take in light of the circumstances. The mobilization of national resistance groups must begin. Diplomatic efforts to alert the world about the danger looming over Panama must be increased.

I repeat, an arrogant leader like Bush is capable of doing anything to eliminate what he believes is an obstacle to U.S. interests: Gen Noriega and the patriotic Panamanian people.

### Tripartite Dialogue Reportedly To Begin 3 Aug

*PA0208003189 Panama City Televisora Nacional in Spanish 2349 GMT 1 Aug 89*

[Text] OAS spokesmen reported today that the OAS-sponsored tripartite dialogue is expected to begin on Thursday.

They stressed that Diego Cordovez, president of the special commission that seeks an agreement formula in Panama, and his counterparts from Guatemala and Trinidad and Tobago, Mario Palencia and Sahadeo Basdeo, respectively, are scheduled to arrive tomorrow.

OAS Secretary General Joao Baena Soares; Angus Khan, Trinidadian permanent secretary to the OAS; and Guatemalan Deputy Foreign Minister Ariel Rivera, arrived in Panama City last night.

The Ecuadoran Foreign Ministry's Press Office reported that Cordovez will depart Guayaquil at 0815 on an Air Panama flight.

The dialogue will be held at offices set up in the Vallarino Building.

### Dialogue Facing Problems

*PA0108224389 Panama City ACAN in Spanish 2031 GMT 1 Aug 89*

[Text] Panama City, 1 Aug (ACAN-EFE)—Today in Panama City, OAS Secretary General Joao Baena Soares began his efforts to overcome obstacles hindering the dialogue among the government, military, and opposition.

According to Panamanian political sources and the OAS delegation accompanying Baena Soares, the dialogue—paralyzed since mid-July—is facing serious problems, such as the opposition's displeasure with the continental organization's suggestion that new elections be held in Panama.

The Civic Democratic Opposition Alliance (ADOC) believes that the OAS' suggestion disregards the 7 May elections. The ADOC has claimed victory in the 7 May elections, which were later annulled.

The ADOC has asked the OAS to "clarify" the scope of the resolution the foreign ministers approved in Washington on 19 July, which calls for new elections. Baena Soares' first contacts today were aimed at finding a way and the words to clarify the resolution.

OAS sources have announced that there will be no meetings among the government, military, and opposition today. A General Council of State meeting was held today to study means of continuing the dialogue. It was presided over by Manuel Solis Palma, minister in charge of the Panamanian Presidency, and General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces [FDP].

At the meeting's conclusion, Gen Noriega was approached by reporters; however, he refused to answer any questions. Noriega would only say: "Take it easy; take it easy, you guys."

Romulo Escobar Bethancourt, Executive Branch delegate at the dialogue, said that he had been instructed by Solis Palma to resume the dialogue "to find a peaceful, democratic, and collective solution for creating a new government of national unity."

The opposition has thus far refused to become part of a "national reconstruction" junta, as proposed by the progovernment parties. Regarding this, Solis Palma said that if the ADOC refuses to participate, the current regime—on its own—will form a new government.

"They either agree to this (junta), or the government, the FDP, and the progovernment parties will simply make their own decisions," Solis Palma said.

"We cannot relinquish power if there are no points of agreement," Solis also said.

ADOC leaders—Guillermo Endara, Ricardo Arias, and Guillermo Ford—are meeting in an office near the one occupied by Baena, Guatemalan Deputy Foreign Minister Ariel Rivera, and Angus Khan, the ambassador of Trinidad and Tobago to the OAS, who are waiting to be summoned to make the requested "clarification" concerning the new elections.

In the OAS delegation, Rivera and Khan have replaced Foreign Ministers Mario Palencia and Sahadeo Basdeo, who could not come to Panama at this time because they are on official business elsewhere.

Ecuadoran Foreign Minister Diego Cordovez, the fourth member of the OAS mediation delegation, will arrive in Panama tomorrow.

The Christian Democratic Party [PDC], the Panamanian opposition's largest party, today released a communique stressing that "it is essential that General Noriega steps down" to achieve "full democracy in the country."

According to the PDC, the "transfer of power with democratic mechanisms," which should take place on 1 September according to the OAS, "involves the end of General Noriega's" term as FDP commander.

The opposition party added: "Noriega's regime attempts to interpret this transfer simply as a replacement of officials, such as Solis Palma ceasing to be minister in charge of the Presidency, without referring to the people's will."

The PDC, which received—according to their own calculations—41 percent of the valid votes in the 7 May elections, which were later annulled—has stressed the need to respect the election results. Furthermore, concerning the government's reports of violations of the Canal Treaties by the United States, the PDC has said the best guarantee for these agreements "is the establishment of a democratic government" because "the dictatorship is dangerous to the process of returning the Canal to Panamanian jurisdiction."

According to the Treaties, signed in 1977, the Canal will be turned over to Panama on 31 December 1999. The U.S. troops, stationed on both sides of the Canal, should have left by that date.

### Dialogue, Ecuador Visit Discussed

*PA0108153189 Panama City LA ESTRELLA DE PANAMA in Spanish 1 Aug 89 pp 1, B-7*

[Report by James Aparicio]

[Text] President Manuel Solis Palma said that the tripartite dialogue sponsored and initiated by the OAS in June is "doomed to failure" if the opposition "continues to insist on conditions" in its talks with the government and the armed forces. Solis Palma told LA ESTRELLA DE PANAMA: "We must find a way to advance," but he warned: "We cannot relinquish power if there are no points of agreement" with the opposition.

The tripartite dialogue's agenda that was prepared in June will be discussed today after the arrival of OAS Secretary General Joao Baena Soares and Trinidadian and Tobagan Foreign Minister Sadeo Bashdeo.

The Ecuadoran and Guatemalan foreign ministers, Diego Cordovez (head of the OAS mission) and Mario Palencia, are to arrive in Panama on 2 August.

Over the weekend, Romulo Escobar Bethancourt, the Executive Branch representative at the tripartite dialogue, confirmed that he had gone to Quito, Ecuador, on a personal visit. He said that while he was there he took the opportunity to pay an unofficial visit to Foreign Minister Diego Cordovez.

Bethancourt reported that the Panamanian situation was discussed during his meeting with Cordovez but that the Ecuadoran diplomat "was reserved in his comments" during these conversations.

Former Democratic Revolutionary Party President Bethancourt noted that the Civic Democratic Opposition Alliance's (ADOC) demands for explanations from the OAS about the resolution it had issued in Washington "is an opposition problem with the OAS."

"It is my judgement that the 7 May elections were anulled by the Electoral Tribunal and the Supreme Court of Justice and not by the OAS," said Bethancourt, and he said that "we will discuss anything the ADOC wants regarding General [Manuel Antonio] Noriega at the dialogue."

"We have no objection to discussing whatever they want regarding General Noriega, but we want to make it clear (to the ADOC) that neither Panama nor General Noriega have to obey U.S. orders and have him removed as commander of the Panama Defense Forces," he added.

### Opposition Explains Position

*PA0208043389 Panama City Circuito RPC Television in Spanish 2300 GMT 1 Aug 89*

[Statement by Guillermo Ford, former vice presidential candidate for the Democratic Civic Opposition Alliance (ADOC); date and place not given—recorded]

[Text] Mr Solis Palma and Foreign Minister Jorge Ritter insist on using the words preconditions and conditions. It looks like they have some sort of attachment to those words. All that ADOC has asked of the members of the OAS mission, on behalf of the majority of the Panamanian people, is to clarify several points.

If Mr Solis Palma and Mr Ritter choose to believe this is a precondition, they are mistaken. They like to play with this word. ADOC has acted in a very responsible fashion all along. We simply need some clarifications to decide whether or not we will participate in the dialogue.

The national government, I insist, is playing with words to suit themselves, but the Panamanian people are not fools and do not accept that.

### Panama District Council Dismisses Mayor

*PA0108221389 Panama City CRITICA in Spanish 1 Aug 89 p 8*

[Text of Resolution 22 issued by the Panama District Municipal Council on 31 July in Panama City]

[Text] Resolution 22 of 31 July 1989 (whereby the Panama District Municipal Council relieves Mayor Gilma Noriega de Jurado from her duties and adopts other measures).

Whereas:

District of Panama Mayor Gilma Noriega de Jurado has continuously failed to fulfill Article No 41A, paragraph C, Law No 52 of 12 December 1984 by refusing to sign municipal resolutions, thus obstructing the proper management of the Panama District.

Mayor Noriega de Jurado was found to have incurred unnecessary expenditures and irregularly managed municipal funds, as demonstrated in the proof presented before this Council. For that reason, a total audit of the funds placed at her disposal becomes necessary.

Mayor Noriega de Jurado has committed acts that are at odds with duly appointed authorities. Therefore, this Council will file suit before the appropriate authorities.

First Deputy Mayor Mireya Uribe Prada, and Second Deputy Mayor Luis Franco have publicly promoted actions against the legally constituted national government.

The Panama District Municipal council, therefore, resolves:
1. To relieve Mayor Gilma Noriega de Jurado of her duties.
2. To relieve First and Second Deputy Mayors Mireya Uribe Prado and Luis Franco, respectively, of their duties.
3. To appoint Gustavo Melgar as new acting mayor of the district of Panama.
4. To ask the Comptroller General's Office to conduct a complete audit of the municipal resources and funds managed by Mrs Gilma Noriega de Jurado.
5. To Authorize the President of the Municipal Council of the District of Panama to file, on its behalf, a legal suit before the appropriate authorities against Mrs Gilma Noriega de Jurado, for having violated the Penal Code's Title IX, Chapter 2, and Title X, Chapters 1 and 4.

This action is taken based on the following legal grounds: Law No 106 of 8 October 1973; Law No 52 of 12 December 1984; Law No 53 of 12 December 1984, and Law 2 of 2 June 1987.

## Televisora Nacional Relay Station Destroyed

*PA0208002689 Panama City Televisora Nacional in Spanish 0003 GMT 2 Aug 89*

[Text] Our correspondent in Santiago, Veraguas Province, has advised us that Televisora Nacional's [Panama City Television Channel 2] relay station in that city was destroyed today during a sabotage action carried out by unidentified individuals. The authorities immediately began investigating the attack and are searching for the persons who destroyed the Televisora Nacional relay station located on San Antonio Hill just outside Santiago.

## Argentina

### Foreign Minister on Falklands, Integration

*PY0108161689 Buenos Aires TELAM in Spanish 1335 GMT 1 Aug 89*

[Text] Buenos Aires, 1 Aug (TELAM)—Foreign Minister Domingo Cavallo has said that Argentina will keep the Malvinas Islands issue on the UN agenda if by next month there is no (repeat no) progress in the informal contacts with the United Kingdom for the resumption of bilateral relations.

Cavallo said this in separate interviews with the newspapers SUR and LA PRENSA. The foreign minister confirmed that President Carlos Menem will speak at the UN Assembly on 23 September. Cavallo did not rule out the possibility of "other international contacts" in New York besides the meeting with his U.S. counterpart George Bush, but he did not elaborate further.

Cavallo told SUR that he will propose to the new Brazilian Government, following the November election, a change in the way the two governments work toward integration so as to broaden the scope of the agreements. Cavallo also confirmed he will travel to Chile before the end of the year.

Asked if his government categorically rejected the possibility of declaring a formal end of hostilities in the South Atlantic, Cavallo said: "We have rejected that possibility as a unilateral measure, but we reiterate we are willing to take this step within the context of negotiations in which all aspects separating Argentina and the United Kingdom are contemplated, and if we find a way to preserve the Argentine rights over the Malvinas Islands."

Asked if this year Argentina will insist on passing a resolution on the Malvinas conflict at the UN Assembly, Cavallo said: "The issue is on the UN agenda for the time being."

"Whether we insist or not will depend on the progress made on the proposals made by President Carlos Menem," Cavallo added.

Regarding the memorandum attributed to Justicialist Party Economist Roberto Lavagna proposing a 25-year concession and a tripartite administration of the Malvinas Islands between Argentina, the United States, and the United Kingdom, Cavallo said: "Lavagna told me that only some points of the memorandum are based on his ideas, and he said that he does not know the origin of the other points. Whatever the case, the document does not reflect the position of Menem's administration," Cavallo stressed.

The foreign minister further said: "According to my knowledge of the issue, based on classified information, I can say that many points in the memorandum are not feasible, neither are they favorable to the defense of Argentine interests in the long term."

Cavallo said: "We have ascertained that the document was not sent to the UK ambassador in Montevideo as rumored. Neither was it seen by Menem and least of all [word indistinct]." Cavallo then emphasized: "That is the end of the story."

Asked if he would ask the Brazilian Government to lower its customs taxes to help integration, Cavallo said that "integration with Brazil is not progressing as quickly as we would like, not because we do not want it, but because our commercial and macroeconomic policies have traditionally being so different."

Cavallo said that "Argentina has to work out a proposal for the government that wins the Brazilian election to broaden our integration mechanisms."

Cavallo agreed with the steps taken by Alfonsin's administration regarding integration but added "we have to begin talks to introduce changes to broaden it."

Asked how he intended to pursue the idea proposed by Menem's administration to include Paraguay and other countries when the Argentine-Brazilian agreements include a clause that precludes other countries for a 3-year period, Cavallo said: "That is one of the matters we have to negotiate and revise," after Menem's visit to Brazil on 22 and 23 August.

### Government Lifts UK Import Restrictions

*PY0108235389 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2337 GMT 1 Aug 89*

[Text] Buenos Aires, 1 Aug (NA)—Tonight the Foreign Ministry announced that Argentina today lifted the restrictions that affected imports from the United Kingdom of Great Britain and Northern Ireland and its dependencies.

This decision comes as part of a strategy to bring about a resumption of talks between the two countries, with the temporary exclusion of the issue of sovereignty over the Malvinas Islands, according to political sources.

Foreign Minister Domingo Cavallo stated that the idea is that the sovereign rights of Argentina over the islands can be preserved and will not be negatively affected.

### Issues Communique

*PY0108003689 Buenos Aires TELAM in Spanish 0018 GMT 2 Aug 89*

[Text] Buenos Aires, 1 Aug (TELAM)—The national government today decided to lift the restrictions on imports from Great Britain. This was announced tonight in a communique released by the Foreign Ministry.

The communique, which was released prior to Foreign Minister Domingo Cavallo's news conference, states:

"The national government today decided to lift the restrictions on imports from the United Kingdom and Northern Ireland and its dependencies.

"The cessation of the restrictions on the financing of Argentine exports to the United Kingdom and its dependencies has also been ordered.

"Consequently, as of today, trade between the two nations will receive from the Argentine State the same overall treatment that is granted to third countries.

"In adopting these measures, the convenience of promoting foreign trade through the elimination of obstacles that increase the costs of the private enterprises involved and that reduce the possibility of national development has also been taken into account.

## Bolivia

### Government To Resort to GATT on 'Dumping'

*PY0108223089 La Paz PRESENCIA in Spanish 20 Jul 89 p 1*

[Text] Bolivia will request the participation of GATT in the cases of "dumping" [preceding word in English] that affect our foreign trade, taking advantage of the fact that Bolivia was accepted yesterday as member of that organization.

This report has been released by Revenues Under Secretary Antonio Soruco, on learning of the GATT Council decision to accept Bolivia as a member of that organization.

An EFE report from Geneva states that Bolivia has been unanimously approved as a member of GATT.

According to EFE, the Bolivian ambassador to the United Nations in Geneva, Raul Espana Smith, has stated: "Our country will support the policy defended by GATT and will intensify its efforts to achieve a free and open trade system, with no discrimination."

Soruco stated: If the multiple exchange rates in neighboring countries continue to have a negative indirect effect on our trade, we will request GATT intervention to solve those problems.

He explained that the use of multiple exchange rates in neighboring countries, as a result of their economic policies, affects our productive activity, due to the practice of "dumping."

### U.S. Coast Guard Aiding Antidrug Activities

*PY0108233489 La Paz PRESENCIA in Spanish 25 Jul 89 p 6*

[By special correspondent Amanda Davila from Puerto Varador, Trinidad]

[Excerpt] A group of five U.S. Coast Guard members has been participating since last Feburary in the Navy's activities against drug trafficking. This fact was confirmed by PRESENCIA in Puerto Varador, 12 km west of Trinidad, Beni Department.

Puerto Varador, which is under the jurisdiction of the Mamore Second Naval District, has become the main naval base against drug trafficking. The five high-speed "Pirana" boats that were "loaned" by the U.S. Government to Bolivia operate from this port.

Only three boats are operating on the Ichilo and Mamore Rivers, as the other two are undergoing repairs and maintenance.

"The U.S. Coast Guard members have diplomatic immunity and live in Trinidad," said naval officers who are very experienced in the antidrug operations and who asked not to be identified.

The sources added that five U.S. Coast Guard members are currently attached to the naval groups for the control of drug trafficking.

The sources explained that "each 'Pirana' carries five or six naval officers and one U.S. Coast Guard member. The Bolivians drive the boat and coordinate operations."

The sources added that "the U.S. Coast Guard members inspect the operation and provide logistical support, and that is all they do."

The boats are capable of high speeds and carry M-60 machineguns. They can be transported to other zones when they are needed by a mother ship, which is currently making test trips in the Mamore River with members of the Naval Advanced Studies School.

The officers who operate the "Pirana" boats are very young. There are about 25 of them, and they were trained in Panama. The sources said that "in reality the Bolivian Navy has the greatest responsibility, because the U.S. Coast Guard personnel only supervise the operations."

Navy commanders, however, deny that the U.S. Coast Guard participates in naval activities against drug trafficing.

An officer said that "there is a great deal of sensitivity about the U.S. presence. It seems that every time an antidrug operation is successful it is because of the U.S. presence, but this is not true."

Naval and government officials have recently denied the presence of U.S. Coast Guard in Bolivia after Alan Boeting, chief of the U.S. Coast Guard antinarcotics program, confirmed their active participation against drug trafficking in Bolivia in statements made in Washington and reported here by the press.

The Navy High Command, headed by Alberto Saenz Klinsky, in an official communique emphatically denied that "U.S. Coast Guard members are operating the "Pirana" boats. All the crew members of the boats are Bolivian naval personnel of the Inchilo-Mamore River system."

According to the sources, the U.S. Coast Guard personnel are called only when the "Pirana" boats are about to leave for a mission.

They also explained that the boats were not donated by the U.S. Government. They were loaned, and at one time there was a threat they would be withdrawn from Bolivia. [passage omitted]

### 'Zarate Willka' Case Returns to Sixth Court

*PY0208000689 La Paz PRESENCIA in Spanish 21 Jul 89 p 7*

[Excerpt] The Second Court has decided to return the "Zarate Willka" case to the Sixth Court judge, stating that his excuse is illegal and that he is therefore subject to a fine, according to Marcelo Calderon, president of the La Paz Superior Court.

"Any excuse is brought to the La Paz Superior Court, and in this case, the Second Court—which is comprised of Judges Rene Gutierrez, Antonio Portillo, Willy Luna, and Antonio Mendieta—deliberated and decided that the excuse is illegal."

Calderon added that the two judges who refused to hear the case, Nestor Loredo of the Sixth Court, and Ricardo Alarcon of the Seventh Court, are subject to a fine, although he did not specify the amount.

Judge Loredo has confirmed that yesterday morning he again received the complete docket of the "Zarate Willka" case. Constantino Yujra, Felix and Nestor Encinas Laguna, and Gabriel Rojas are involved in this case. [passage omitted]

### New Oil Deposit Discovered in Tarija Department

*PY0108225689 La Paz PRESENCIA in Spanish 20 Jul 89 p 4*

[Excerpt] Yesterday the Bolivian Government Oil Deposits [YPFB] discovered a new oil deposit in Tarija Department, which will yield between 1,000 and 1,200 barrels of oil per day.

This information was disclosed by YPFB manager Alfonso Romero Loza, who explained that the San Roque deposit is very near the Vuelta Grande deposit but in Tarija Deparment.

He added that according to the premilinary estimate, the oil reserves of this new deposit amount to 20 million barrels. [passage omitted]

## Brazil

### President Sarney Designates New Justice Minister

*PY0208000289 Brasilia Domestic Service in Portuguese 2200 GMT 1 Aug 89*

[Excerpt] National Legal Adviser General Saulo Ramos has been designated new justice minister. He spoke today with President Jose Sarney from Rome, where he is spending his vacation. He accepted the invitation to replace former Justice Minister Oscar Dias Correa. Ramos will have to return to Brazil earlier than scheduled. According to presidential spokesman Carlos Henrique, he will have to return on Friday, although he will take office on Monday, 7 August. [passage omitted]

### Columnist Outlines Problems in U.S. Relations

*PY0208023089 Sao Paulo FOLHA DE SAO PAULO in Portuguese 30 Jul 89 p A-10*

[By RL]

[Text] The future president will come to realize the deteriorated condition of Brazilian-U.S. relations only after assuming power. In addition to the commercial problems, there are serious issues such as:

1. Brazilian nuclear development outside the international safeguards advocated by Washington;

2. The export of Brazilian-made weapons to countries that, in the opinion of the United States, should not be supplied with sophisticated weapons;

3. The transfer to Brazil of some sophisticated technologies—like rocket technology—that the United States considers to be too dangerous to be handled by a country with little military power such as Brazil.

There is a great variety of military problems, and new difficulties are constantly cropping up. Navy Minister Admiral Henrique Saboia needed almost 3 years (from 1985 to 1988) to buy five second-hand U.S. ships. He did

not buy the ships that he wanted, but those that were offered by the U.S. Navy. The U.S. company Kaman recently offered its Lamps 2 helicopters during a public bidding sponsored by the Directorate of the Naval Aviation for the purchase of 14 helicopters.

Since the Lamps 2 woud have compelled the Brazilian Navy to modify its hangars and the landing deck of its ships (the Lamps 2 is too big), the suppliers offered to finance part of the modification, provided the Brazilian Navy answered a questionnaire giving assurances to Washington that those helicopters will participate in antidrug operations sponsored or coordinated by the United States.

The Brazilian officials in charge of selecting the helicopter that will be purchased said that the condition posed by the U.S. supplier is ridiculous. The Lamps 2 will lose in the bidding because of this condition.

### Campinas University To Develop Optical Chips

*PY0108214389 Rio de Janeiro O GLOBO in Portuguese 31 Jul 89 p 10*

[By Iria Marly]

[Excerpts] Campinas—Researchers of the Department of Semiconductors, Instruments, and Photonics of the Campinas State University (UNICAMP) are developing the first optical chips of Latin America, in pioneering work aimed at making optical computers. The difference between the current electronic chips and the optical chips is that, in the first one, information is carried by electyrons, and in the second one, it is carried by photons.

The optical chips are being designed to overcome the limitations created by the electronic components of integrated circuits, according to UNICAMP's project coordinator Vitor Paranauskas. In electronic components, information is processed on a serial basis, creating a line that delays operation. In addition to that, there is a problem with communication between the components within the circuit: Currently 80 percent of the space for the circuit is used for the interconnection of the transistors. [passage omitted]

The UNICAMP research is already producing a second prototype of an optical microprocessor made up of two types of chips: A series of chips of the first type are placed in resonance, and the second type is placed at the end of the sequence, acting as a detector. The energy for the processor is supplied by a laser.

The chips of the first type are being tested in the laboratories of a Canadian company, as part of a multiusers program coordinated by the Computer Science Technology Center and sponsored by Sid [expansion unknown], Itaucom [expansion unknown], Elebra [Brazilian Electronics], and the second type is being made by Sid Computer Science in Minas Gerais.

## Chile

### General Matthei Puts Conditions on Retirement

*PY0108211089 Santiago LA TERCERA DE LA HORA in Spanish 28 Jul 89 p 8*

[Text] Air Force Commander Fernando Matthei Aubel has said that "if I am convinced that the country is on the road to mutual respect and that the Armed Forces and their members will not be subject to cheap revenge, then I will retire. However, if I do not see that attitude, but see instead a different attitude, such as the one that has prevailed lately, I will then review my position. My decision depends exclusively on me, and not on whether I am asked to retire."

Matthei made these comments in an interview with reporter Rosario Guzman Errazuriz in issue 34 of the magazine MASTER CLUB, which was published in August.

Gen Matthei also said that the Armed Forces will never completely return to their barracks and that the role they will play will depend on the degree of intelligence and prudence shown by the politicians.

He added that the opposition is aware of the great prestige of the government of the Armed Forces, which they consider a formidable rival.

He said: "They see Pinochet as a giant, and that is why they oppose him. It is true that the president has sometimes referred to the politicians in an offensive manner, but politicians should realize that we all think the same way. Perhaps Pinochet has been a bit less prudent in saying it."

### Terrorists Claim Attack on Police Car

*PY0108182889 Santiago EL MERCURIO in Spanish 28 Jul 89 pp C-1, 4*

[By Ada Martinez Struque]

[Excerpt] Vina del Mar—Through telephone calls to the media in the Fifth Region, the Manuel Rodriguez Patriotic Front, FPMR, has claimed responsibility for a bomb attack that left four children injured on 26 July in the Las Achupallas sector, on the road betwenn Vina del Mar and Quilpue.

Carabineros yesterday continued their search for the perpetrators of the attack against a police patrol car.

The office of the Vina del Mar Prefect reported that no arrests have yet been made regarding this case. Many people have been arrested and later released upon confirmation that they were not involved in the attack.

It has been reported that the Resurreccion del Senor Chapel of the Asuncion de Maria parish was searched by the police with the authorization of Father Alfredo

Jackson. The search was prompted by several reports by neighbors who claimed that there were many suspicious people in the chapel. [passage omitted]

## Colombia

### President Barco on Foreign Debt, U.S. Relations

*PA0108213489 Madrid EFE in Spanish 0146 GMT 1 Aug 89*

[Text] Cartagena de Indias, Colombia, 31 Jul (EFE)—President Virgilio Barco said today that the Latin American foreign debt demands a solution that cannot be put off. Barco urged area countries "to examine relations with the United States."

Barco spoke at Cartagena de Indias, on the Caribbean coast, at the closing of the "Second Latin American and Caribbean Informal Political Dialogue." Foreign ministers and presidents of over 30 countries participated in the dialogue. In addition, Barco opened the ministerial meeting of the Fifteenth Latin American Economic System (SELA) Council that will end on 2 August.

During his speech, Barco blamed the United States for breaking up the International Coffee Pact and asked the international banking system to find "new solutions" to the debt problem "without exclusions or discrimination."

Barco said: "The foreign debt continues to absorb resources that our countries need to fulfill our people's social demands."

Barco reiterated the persistent way in which industrialized countries have treated the Latin American foreign debt and added that the industrialized nations view the problem essentially as a "financial phenomenon."

Barco insisted that the developed countries "refused to admit the negative effect the foreign debt has had on the Latin American democratization process, which began early this decade."

Barco stressed that up until now, "financial interests have prevailed over the people's interests."

For that reason, President Barco stressed that "such a situation must change immediately."

However, Barco added that developed countries "are fortunately beginning to discuss proposals that lead to dealing with the foreign debt problem in an overall and adequate manner." Barco said the Brady plan is "an initiative that we welcomed with satisfaction." He urged the banks to adopt "more realistic" attitudes.

Barco asserted that the levels of development reached by various countries in our region "have reverted to the levels of 1969 and per capita income has dropped in most of those countries during this decade."

Barco said that is an "unsustainable situation" that must be carefully discussed by SELA.

In reference to the need to establish a different relationship with the United States, Barco stressed that "it is essential to give new meaning to the idea of cooperation."

Issues such as drug trafficking and isolated actions of cooperation, "are insufficient" Barco said and added that "unilateral decisions do not solve problems definitively and can in fact create additional problems."

After blaming the United States for the breakup of the International Coffee Pact, Barco said: "The lack of comprehension of the world's largest coffee consumer and the lack of solidarity and coordination among some coffee producers have imposed serious obstacles to operating one of the best examples of international cooperation."

At the end of his speech, Barco wished success to the foreign ministers of the 26 countries that will participate in the second and final phase of the SELA Council and encouraged everyone "to help turn the 1990's into a decade of hope and progress for Latin America."

### Government Adopts Measures To Protect Judges

*PA0208042489 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 2 Aug 89*

[Report by Diana Sofia Giraldo—passages within quotation marks recorded]

[Text] The national government adopted several emergency measures this evening to protect the judges and solve the nationwide strike that began at 0600 today. There are two measures that particularly deserve more attention.

The government today created a special commission that will provide more protection to judges who have been threatened. The government promised armored vehicles, more bodyguards, and a special housing system for judges and their families.

The commission is comprised of the attorney general, justice minister, and the DAS [Administrative Department of Security] director among others. They will meet periodically to analyze the effect of these measures, which will benefit the public order and criminal court judges who have been threatened—particularly in cities like Bogota, Medellin, and Villavicencio.

[Attorney General Alfonso Gomez] "We will offer protection to judges and their families. We will eventually concentrate the judges in certain places to protect their lives and guarantee their welfare. We could even assign vehicles to judges who have been threatened."

The group of judges who have been threatened will be concentrated in housing compounds according to an Italian model, where they will carry out their professional work and live with their families. The 24 Hours newscast has learned that the Military Club or the Government Officials Club are being considered for this purpose.

[Unidentified reporter] "The judge [Maria Elena Diaz] had bodyguards, but she was killed anyway. Is that considered [an appropriate] measure?"

[Gomez] "Yes. Somoza had an armored vehicle, and he was killed anyway."

These measures will allow the suspension of a strike that has been decreed by 15,000 judges in several judicial zones to protest the assassination of Judge Maria Elena Diaz in Medellin.

### 'Extraditables' Claim Medellin Judge's Murder

*PA0208031189 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 2 Aug 89*

[Text] The so-called Extraditables today claimed responsibility for the reprehensible attack on Judge Maria Elena Diaz, third judge of public order, who was murdered on Friday, 28 July, in Medellin. The group stated this in a letter sent today to the judicial zone president.

The self-styled Extraditables claimed responsibility for what they termed the execution of the public official on 28 July. The letter sent to Judicial Zone President Antonio Suarez said that the action was carried out because the government refuses to accept a dialogue with the group and emphasized that the group members prefer a tomb in Colombia to a prison cell in the United States.

The group added that their actions in the country are aimed at defending their families and their legal rights to be free and have a nationality.

### Railroad Workers Occupy Senate, Make Demands

*PA0208020589 Bogota Inravision Television Cadena 1 in Spanish 0027 GMT 2 Aug 89*

[Text] Employees of the National Railroads—a corporation in the process of being liquidated—today occupied the Senate and refused to leave the premises until they met with officials. Liberal Party leader Julio Cesar Turbay Ayala demonstrated today the incredible fact that he can mediate difficult controversies not only within his party, but on other levels as well, as he personally intervened to solve the National Railroads conflict. Supporting the workers' demands, former President Turbay met with Jorge Carrillo [United Workers Confederation, CUT, president] and the Congress president.

[Begin recording] [Turbay] I am not very familiar with railroads, but I fully support the workers.

[Reporter] What do you think about the two demands already presented to the government?

[Turbay] The workers are entitled to make petitions. [end recording]

Fourteen hours after they occupied the Senate chamber, the 38 labor union leaders were called to a meeting at the Government Ministry's offices, where a positive resolution was achieved, as reported by CUT's vice president.

[Begin unidentified speaker recording] It is important to highlight the work of the mediation commission. The Senate president acted very democratically, and I must publicly acknowledge this behavior as well as the support that this struggle has received. [end recording]

Tonight's meeting will determine the fate of the demands of the 4,000 railroad workers.

### UC-ELN Blows Up Pereira-Cartago Pipeline

*PA0108181989 Bogota EL SIGLO in Spanish 31 Jul 89 p 7-A*

[Text] The authorities have reported that in the past few hours the Camilist Union of the Army of National Liberation (UC-ELN) blew up a section of the Pereira-Cartago pipeline, causing major structural damage but leaving no casualties.

The Colombian Petroleum Enterprise, Ecopetrol, reported that the explosion took place at the 20 km marker of the pipeline, only 7 km from Cartago, in Pereira jurisdiction.

The subversives perpetrated this action on the Sotara Ranch owned by Hernando Rojas.

UC-ELN members detonated a powerful dynamite charge causing heavy damage to the pipeline.

The authorities, who reported a considerable fuel spill and extensive damage to the ranch, immediately ordered the implementation of a plan to counter the subversives' action.

The UC-ELN's Martha Elena Baron Unit claimed responsibility for the attack hours after it was carried out.

This outlawed group reported that this terrorist attack was part of the "Wake Up Sovereign Colombia" campaign in response to what it describes as "the theft of petroleum by multinational companies."

### EPL Leader Praises Notables Commission Work

*PA0108170389 Bogota Emisoras Caracol Network in Spanish 1215 GMT 1 Aug 89*

[Text] Bogota—The Popular Liberation Army, EPL, has asked the Commission of Notables to continue its efforts to achieve dialogue and peace in the country. It also praised the work done by the members of the commission.

EPL leader Francisco Caraballo sent a message to the members of the Commission of Notables: Msgr Mario Revollo Bravo, former Presidents Alfonso Lopez Michelsen and Misael Pastrana Borrero, and Fabio Echeverri Correa, president of the ANDI [National Industrialists Association]. Caraballo publicly expressed the insurgent group's recognition of the positive efforts of the commission to find political solutions to the country's problems [words indistinct] results achieved through serious and honest work [words indistinct].

In his message, the guerrilla leader insisted that a direct dialogue with the government can improve the possibilities for achieving real unity in the country. He added: Permit me to ask you to continue contributing your valuable and highly qualified efforts and influence to the political panorama. You have shown wisdom in your political mission and in the way you have handled the various armed organizations, and you have used appropriate methods in [words indistinct] possible solutions.

### Two Kidnapped Army Corporals' Bodies Found

*PA0108214889 Bogota EL TIEMPO in Spanish 27 Jul 89 p 7B*

[Text] The bodies of two corporals from the Nueva Granada Antiaircraft Battalion were found on Las Playitas farm in the Pozo Nutria District in San Vicente de Chucuri.

Relatives of the deceased soldiers helped the authorities identify the bodies. The two men were Barrancabermeja natives.

The two corporals were allegedly kidnapped by the FARC [Revolutionary Armed Forces of Colombia] on 23 June while conducting security operations in the area.

### ELN Reportedly Kills Acting Police Inspector

*PA0108145789 Bogota EL TIEMPO in Spanish 27 Jul 89 p 7-B*

[Text] Hernando Orduz, Pangole District police station secretary in San Andres, was killed on 26 July by several armed men.

Authorities have reported that the Army of National Liberation's [ELN] "Efrain Pabon Pabon" Front was responsible for the killing. The armed men forced Orduz to come out of his residence. The secretary, who was acting inspector at the time, was shot four times.

### Escape Attempt at Villahermosa Jail Foiled

*PA0208030489 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 2 Aug 89*

[Report by Annie Velasco]

[Text] An escape attempt early this morning by several prisoners in Section Five at the Villahermosa Jail in Cali resulted in the deaths of four persons. Two prisoners were killed at approximately 0400 after they murdered Corporal Salomon Ramos. Jaime Mosquera, 22, and Carlos Alberto Chavez, 19, both prisoners, were killed in the foiled escape attempt. Policeman Oscar Correa Salazar was injured and admitted to the University Hospital where he later died.

The prisoners attempted to stage an uprising, but the situation was brought under control by policemen who entered the jail and carried out individual searches.

## Peru

### * Fredemo Parties Agree on Several Issues

### * Mayoral Candidates

*33480233a Lima CARETAS in Spanish 3 Jul 89 pp 14-17*

[Text] The agreement announced by the two parties belonging to Fredemo [Democratic Front] to present joint lists in the municipal elections is a decisive step. Certainly, it must be followed by other, minor acts of consensus because we are talking about 181 candidates for the offices of provincial mayors and 1,776 candidates for district mayors, including Lima and Callao. The number of candidates for membership on provincial and district councils is also enormous: 2,232 at the provincial level and 9,249 at the district level.

In view of these figures the agreement really resembles the judgment of Solomon. The speed with which it was reached must be attributed more to the persuasive force of the resignation of MVLl [Mario Vargas Llosa] than to how close it was to being reached before the spectacular night of 21 June.

The basic points are as follows:

- AP [Popular Action] declined to nominate Eduardo Orrego for the position of mayor of Metropolitan Lima, although this ran the risk of giving Henry Pease, the candidate of IU [United Left], an advantage. His nomination was a decisive factor in finding that Orrego was not a suitable opponent for him.
- The PPC [Popular Christian Party] declined to lead in Lima and accepted Callao in exchange.
- Fredemo will present joint lists in the 24 departmental capitals, including Lima and Callao, as Libertad

and the PPC wanted it to do before the storm broke. The positions up for election in these areas account for 62 percent of the total.

- In the case of the 38 percent of the remaining positions—in municipal, provincial, and district elections—the AP and the PPC will present separate lists. That is, in these areas the AP will be able "to reaffirm its identity" as a party, presenting its own candidates.
- There can be joint agreements if the rank and file of the local party organizations so decide. This will also satisfy strong pressures in some smaller committees of both parties which wanted to present their own candidates, as may well happen in Chimbote.

In that case everyone would be satisfied. What still needs to be negotiated is:

(a) what party will head the joint list in each of the 24 provincial capitals;

(b) how shall one departmental capital be weighed against another, as a function of the population registered to vote, among other things;

(c) would it be suitable or not for the candidate who heads the list for mayor to have as his deputy mayoral candidate a member of his own party to minimize possible future conflicts at the top working level of the councils.

In the course of the next week AP and FBT [former President Fernando Belaunde Terry] will have to decide who will be the Fredemo candidate for Lima. There are four names now on Fernando Belaunde's desk:

- Elias Mendoza Habersperger, age 55, former president of the Chamber of Deputies, former AP departmental secretary in Lima, deputy for Lima, lawyer and diplomat, senior Boy Scout leader and leader of the reorganization in the Union Club. According to some people, he is the candidate with the greatest strength. Eduardo Orrego supports him, as does Arias Stella. He is a skilful and tireless figure in political campaigns.
- Javier Velarde Aspillaga, an architect, several times minister of housing, and very close to former President Belaunde. On more than one occasion he has said that he is not a candidate for mayor of Lima but is more of an executive and planner than the man for an elections campaign. If an agreement is reached to assign the two leading positions to a single party, Mendoza would choose Velarde as an "ideal running mate" for the municipal council. They would make an interesting team of candidates for the government of the exhausted capital.
- Alvaro Becerra Meneses, the last minister of industry in the administration of President Fernando Belaunde Terry, is a first rate technician and has recognized academic and business credentials. However, he is another of those who have refused to participate in election campaigns.
- There could be a fourth candidate: Raul Diez Canseco Terry, secretary of the Department of Lima. He is a young leader who asked to be considered a candidate when the plenary session of the party first considered Eduardo Orrego. When Orrego decided not to run, his name should be considered. The problem is that he is not so well known, and not too many risks can be run in Lima, the position of greatest electoral and political significance.

## * Congress, Other Issues

*33480233a Lima CARETAS in Spanish*
*3 Jul 89 pp 16-17, 85*

[Text] The news was just out that the AP [Popular Action] and the PPC [Popular Christian Party] had reached agreement on the municipal elections when Miguel Cruchaga, secretary general of Libertad, provided information for a revised reading of the letter of resignation of MVLl [Mario Vargas Llosa]. He stated that the agreement was a positive step but was not enough. The demand by the supporters of Libertad, interpreting the feelings of their leader, was directed toward pointing out that it was necessary to demonstrate a "great capacity" for resignation on the part of the political parties. This amounts to saying that although they have passed the reefs of municipal jealousy, there still are many other points on which there should be that same feeling of setting aside party expectations in order to give the front a dynamism which will unite it and the character of a fully shared crusade.

In effect, the problem is not a simple one, and the negotiations may take a long time. Some people remember that progress has been made "prudently and generously" in establishing the Fredemo [Democratic Front]. (This has happened since January 1988, when the desire to form the front was announced. It was established, and its basic program was approved in April 1989.) One of the first steps was the formation of the "Group of 9" or the "general staff" of Fredemo charged with guiding the work on developing the party program. Three representatives of each group have participated in this work. Javier Arias Stella, Gaston Acurio, and Luis Percovich participated on behalf of the AP. Ernesto Alayza Grundy, Roberto Ramirez del Villar, and Armando Buendia took part on behalf of the PPC. Miguel Cruchaga Belaunde, Miguel Vega Alvear, and Luis Bustamente took part on behalf of Libertad.

Later, 36 technical committees were established, each made up of three members. They constituted tripartite working groups, charged with making diagnoses and setting out objectives in the various sectors of government action. When this program material was assembled, it was turned into the "Agreement on Bases for a Plan of Government," which was publicly approved in Trujillo on 28 October 1988.

These committees (see members' names in table below) which, in turn, called in other technicians, have been working on operations plans. This implies a more timely but more difficult job, because it involves comparing specific questions which are analyzed from different points of view, depending on party doctrine. There is no doubt that, in such committees, the presence of specialists who have already held government positions or who are serving members of parliament speeds up the pace of work and strategic precision concerning where to begin and what can be done during the first 100 days of government.

Although there are those who say that government plans are fundamental points of reference and consensus, the basic problem is not there but rather in the way in which critical situations are met in the course of the administration. Upon coming to power, above all under such precarious conditions as those at present, government plans are often merely points of reference, while events force the government to make decisions. However, those points of reference can be fundamental to the coherent exercise of power. What has been achieved up to the present is that Fredemo, at least in theory, is the most experienced political alliance in the history of the country in terms of ideas and programs.

**Parliament**

This is another field of highly delicate negotiations. There is a verbal agreement between the three leaders of the front to divide up the quotas of candidates for parliament and to compensate the parties, to some extent, using presidential patronage in the composition of the executive branch of the government. In principle it was said that the division would be 40-40-20 for the AP, the PPC, and Libertad, respectively, both in the case of the 60 seats in the Senate, as well as the 180 seats in the Chamber of Deputies. There is even an agreement on representation in the departments. The AP, for example, has reserved for itself the positions at the head of the list in the Selva area.

Nevertheless, Libertad is reportedly thinking of expanding its quota of 20 percent of the candidates to an equal share of one-third for each of the parties, provided that Sode [Solidarity and Democracy], the UCI [Independent Civic Union], Frenatraca [National Front of Workers and Peasants], and independents like Raul Ferrero are included. In 1985 Sode and the UCI received a small quota of two parliamentary candidates each (Silva Ruete and Loret de Mole from the Sode and Diez Canseco and Larrabure from the UCI). Now it can be presumed that they are hoping for a larger number. It is said that in the AP and the PPC the general view is that this proportional agreement is negotiable and should present no great problems, provided that it is verbal.

**Democratic Front: Working Subcommittees**

| Committees | Libertad | AP | PPC |
|---|---|---|---|
| By Sector | | | |
| Economy | Gaston Pacheco | Rodion Cavero | Julio Velarde F. |
| Agriculture/Food | Alvaro Gamarra | Luis Ortega | Javier Puigros |
| Mining | Augusto Baertl | Rafael Belaunde | Roberto Persivale |
| Fishing | Pedro Reategui | Emilio Rodriguez Larrain | Alfonso Arevalo |
| Energy | Felipe Thorndike | Juan Inchaustegui | Fritz Vallenas |
| Transportation/Communication | Luis Checa | Carlos Pestana | Alvaro Villalobos |
| Industry | J.A.Aguirre Roca | Alvaro Becerra | Percy Tabory |
| Construction | Ramon Barua | Jose Benavides M. | Jorge Scerpella |
| Trade | Pedro Olaechea | Vicente Silva | Gonzalo Garland |
| Health | Jorge Bentin | Carlos Bazan | Enrique Sabogal |
| Education | Oscar Bravo V. | Andres Cardo Franco | Gabriela de Power |
| Justice | Max Arias Schreiber | Elias Mendoza H. | Felipe Osterling |
| Human Affairs/Judicial Police | Raul Hores | Alejandro Icochea | Victor Reyes Ramos |
| Housing/Rentals | Carlos de Martis | Javier Velarde Aspillaga | Roberto Mendizabal |
| Social Security | Carlos Raul Vidal | Octavio Mongrut | Ciro del Rio |
| National Defense | Juan Jochamowitz | — | — |
| Culture | Fernando de Szyszlo | Lily Salazar de Cueto | Carlos Neuhaus |
| Science/Technology | Ignacio Soto Llosa | Roger Guerra Garcia | Felipe Cebrecos |
| Recreation/Sports | Rodolfo Cremer | — | — |
| Tourism | Jose Luis Arrarte | Raul Ortiz de Zevallos | Carlos Letts C. |
| Foreign Policy | Enrique Chirinos Soto | Javier Arias Stella | Andres Aramburu M. |
| Multi-Sectoral Aspects | | | |
| Human Rights | Fernando de Trazegnies | Hector Lopez M. | Antonino Espinosa |
| Employment/Social Policy | Alonso Pasco | Hugo Mejia | Carlos Rojas |
| Population | Christian Hamman | Roger Guerra Garcia | J. A. Montalbetti |
| State Administrative Department | Enrique Ghersi | Jaime de Althaus | Carlos Carrillo |
| Informal Sector | Fernando Iwasaki | Jorge Trelles | Lourdes Hora |

| | | | |
|---|---|---|---|
| Decentralization/Regional Affairs | Alfonso Bustamante | Manuel Arce Zagaceta | Nemesio Canelo |
| Communal Participation | Fernando Fuenzalida | — | Jorge Vega Castro |
| Women's Rights | — | Graciela Espinosa | Luz Alvarez de Schultz |
| Youth | Doris Valle | Jorge Galvez | Roberto Vigil |
| Family | — | — | Alicia B. de Salazar |
| Social Communications | Carlos Spa | Gilberto Muniz | Raul Castro |
| Farmer Communities & Migration | Juan Ossio | Luis Canales | Rufino Cebrecos |
| Image | — | — | Raul Rachitoff |

These men (and women) through their work in 34 committees will be analyzing and planning the goals of their respective fields in preparation for a possible Fredemo government. Some of them have already held high public office, but the majority (especially in Libertad) are new to politics. From this group may come, in the near future, the president's men.

**The Executive Branch**

Regarding the executive branch, in fact, the agreement is all encompassing and follows the constitutional formula. The president of the Republic chooses the members of his cabinet.

Several reasons led to this view. Libertad has been compensated for its minority position in the Chamber of Deputies. It submitted to certain party interference which, it will be remembered, was not the view of the AP-PPC alliance in 1980, when the cabinet portfolios of industry and justice were reserved for the party of Bedoya Reyes. In short, MVLl could call on any candidate from the parties in his personal capacity, and not under party quotas. Such a candidate would be required to accept without any consultations with the corresponding party bodies.

Now then, being a cabinet minister for a given ministry implies setting up one's own team. According to the AP (with which Libertad no doubt agrees), each minister will have the right to decide in his or her own sector. There are those who speak of 2,000 positions which each cabinet minister has to control in order to implement a given policy (see table). Although this is an overall total, it means that nearly 15,000 jobs are involved in this category. Libertad by itself does not have such a large group of supporters and, in fact, would have to make use of the experience and the cadres of its allies (that technical and bureaucratic apparatus which, like the fig tree, goes through its period of winter when a regime changes but flourishes with the timely irrigation of power).

In the technical committees there have been discussions of the possibility of reducing the number of ministries to a total of seven or eight, as in Argentina, creating the position of secretary under the cabinet ministers. For example, a Ministry of Social Welfare would include a section to deal with education and health, a Ministry of Production would include sections to deal with agriculture, energy and mines, industries, etc.

**Public Enterprises**

This is a subject which has barely been sketched out because of the fact that discussion has been tightly held regarding the elimination of many companies and the privatization of still others as a function of a broader spread of property.

Nevertheless, this subject has its disadvantages. There is a large number of public enterprises and, in general, their boards of directors are appointed. The directors tend to defend their rights on the principles of labor stability and prestige.

In any case, they will play with ideas for immediate application, which will not slow down the privatizing intentions of the regime: to reduce the number of directors by company, which presently average between six and eight in each case, and appoint several of them to more than one company, thus reducing the number of interested persons. They will go on deactivating or liquidating companies gradually, turning their property and personnel over to other national or regional entities of the state.

Regarding corporations in the various departments, there are no explicit agreements here. However, as town mayors hold about one-third of the positions on the boards of directors, it will be important to look at the election results. A second third will be appointed by the executive branch. (In that case Libertad would claim direct appointments without concern for party quotas.) The final third will be appointed by departmental organizations where consideration is given to persons with specific, local sympathies.

## * IU Unable To Settle Internal Disputes

### * Infighting Worsens

*33480231 Lima EQUIS X in Spanish*
*12 Jun 89 p 12*

[Text]

**IU: The Split Worsens**

The warning that Senator Enrique Bernales issued on the television program "En Persona" on Sunday the 4th was made good the following day. He said that Socialist Accord (AS) intended to challenge the registration of United Left (IU) with the National Election Board by

just four political groups (PCP [Peruvian Communist Party], PUM [Mariateguist Unified Party], UNIR [National Union of the Revolutionary Left], and FOCEP [Student-Peasant-Worker Popular Front]).

All indications are that in spite of Jorge del Prado's efforts to keep IU together, centrifugal forces have remained at work in recent days and are making unity increasingly difficult.

On the one hand, leaders of the PUM, such as the group's secretary general, Eduardo Caceres Valdivia, and Senator Javier Diez Canseco, made public their opinion that Jorge del Prado had conducted his negotiations to reunify the left not on behalf of the IU Steering Committee but just the PCP (Unity faction) and that in any event it was up "to those who are irresponsibly encouraging division to give signs of a rectification." For their part, they would not change any of the mechanisms designed to choose candidates on the scheduled dates.

On the other hand, Manuel Dammert, a leader of Socialist Accord and the PCR [Revolutionary Communist Party], stated in making the aforementioned challenge along with Alfredo Filomeno, the secretary general of the PSR [Revolutionary Socialist Party], that United Left belongs to the six groups that founded it, "to all or none of them," adding that consequently "if the PUM, UNIR, FOCEP, and PCP decide to ally, they can do so under another name." He felt that the National Election Board would consider the petition that the PCR and PSR had filed, because to do otherwise would give rise to a definitive split in IU. He also argued that the IU Steering Committee had not responded favorably to Alfonso Barrantes' appeal to guarantee the election of municipal and national candidates with supervised voter lists and a qualified, impartial electoral board.

Del Prado, in turn, without losing hope of a settlement, has declared that the objection to IU's registration would not prosper and that Socialist Accord would wind up registering by itself but would not be successful because it can count on only a tiny minority of the electorate. He has also demanded that the secretary general of the PUM correct his remarks and those of Senator Diez Canseco, which he regards as offensive.

As this edition went to press, we were waiting for Alfonso Barrantes to return from an overseas trip and take a stand on this heightening of tensions among the feuding leftist groups. As we reported previously, "Frejolito" has said that he will accept the nomination and run only on behalf of a united group.

Although such a categorical stand would seem to close the door on his candidacy if a reunification is not achieved, elements linked to Socialist Accord have stated privately that Barrantes will in any case accept the group's official nomination. They added that this would come to pass because the blame for a split can be put solely on those who stubbornly refuse to establish conditions that would guarantee a free and democratic election of the candidates. Accordingly, they went on to say, Alfonso will have to lean towards those who are in the right.

Meanwhile, the IU Steering Committee has remained unshaken in its decision, and in Lima Henri Pease and Michel Azcueta have signed up for the internal elections to nominate a candidate for provincial mayor.

Everything apparently hinges on the final decision to be made by the only figure who can lead the left to victory at the 1990 general elections, that is to say, Alfonso Barrantes. And some observers feel that although there are serious difficulties, "Frejolito's" influence will induce unity, even at the eleventh hour, except if the fear of one of the sectors of coming to power and the misgivings of another about allying with the "extremists," for ideological and strategic reasons, make any sort of compromise impossible.

Those same observers believe that if a compromise is not forthcoming and especially if Barrantes refuses to run, two candidates will emerge, presumably Enrique Bernales and Agustin Haya La Rosa, and that the left, thus divided and without a charismatic standard-bearer who can rally the necessary support around him, will never be able to score a victory. It will thus have done the right a big favor, practically handing it victory on a silver platter.

### * Barrantes Seeks Unity

*33480231 Lima EQUIS X in Spanish*
*26 Jun 89 p 12*

[Text]

**Barrantes: IU Must Not Split**

In a final attempt to salvage unity among leftist forces, Alfonso Barrantes has reportedly brought decisive influence to bear in recent days so that the leaders of Socialist Accord agree to request a delay to reconsider the challenge that they themselves filed with the National Election Board against the registration of United Left [IU] by some of its members.

Last Tuesday, the legal spokesman of the Communist Party (Unity faction), Roberto Rendon Vasquez, and the representative of Socialist Accord, Oscar Delgado, agreed to submit this request to the Board. The Steering Committee of IU had made such a request previously to facilitate an accord, but this second petition came from the two parties.

This decision was presumably made during the talks that Barrantes and the secretary general of the PCP [Peruvian Communist Party] (Unity faction), Jorge del Prado, had held in previous days. As we know, one faction of this party and Del Prado in particular are reported to be very

actively involved in rebuilding unity. This gives them a role as mediators and even as arbitrators in the situation, which presumably boosts their political stock within IU and their own party, in which there are disagreements.

It was learned that besides filing the request on behalf of the PCP through Rendon Vasquez, the group's secretary general has been trying to placate somewhat the dissident members of his IU faction who are not altogether happy about the attempt at reconciliation. There were secret meetings between Del Prado and leaders of the so-called "vanguard-militarist" faction right at the offices of the National Election Board to smooth out their differences and submit the request for a delay without incident.

Genaro Ledesma was among the hard-core dissidents. He stated that the people in Socialist Accord "have requested another delay, and we have had to go along with it so that the Board would accept it. But what lies behind this is an attempt not to disappear from the political scene...The only option that Socialist Accord has left is to reunite with IU to survive. But an indispensable condition for this to happen is for them to respect unconditionally the Huampani accords (First Congress of IU) and the most recent internal elections, at which the candidates for the municipal balloting were chosen."

Ledesma's position, which is apparently shared by the other members of the extremist faction (the PUM [Mariateguist Unified Party] and UNIR [National Union of the Revolutionary Left]), would imply unambiguously that the members of Socialist Accord should no longer question the election of the IU Steering Committee held at Huampani. Moreover, they would have to forget about the call that they have made for their own internal elections to nominate municipal candidates early this July. Not to mention, of course, withdrawing the challenge to the IU registration that is pending before the Electoral Board.

Political analysts feel that to take all of these steps would be a thoroughgoing capitulation that would be hard to swallow for those who have made their objections to the behavior of the "vanguard-militarists" and their fellow travelers one of their banners. It would be especially hard for Senator Enrique Bernales, who has also indicated that there are profound ideological and political differences between the two factions, going so far as to liken them to water and oil that do not mix.

Nevertheless, both know that Alfonso Barrantes has said categorically that unless unity is achieved, he will not be a presidential candidate. And they also know that without Barrantes any hope of an election triumph would be illusory, even any hope of securing a large bloc in the legislative chambers, a bloc that he could achieve by serving as the engine of the leftist train.

In spite of everything, therefore, "Frejolito's" moves have again raised the possibility of reunification, but through appropriate compromises, one of them being for everyone to accept Henry Pease as a candidate for mayor of Lima and Barrantes as the presidential candidate. To do otherwise would be to bog things down and play into the hands of the right, which is using the like-minded mass media (such as Ricardo Muller and the Channel 9 newscast) to portray the left as a divided, chaotic movement.

### * Unity Remains Elusive

*33480231 Lima EQUIS X in Spanish*
*3 Jul 89 p 15*

[Text]

**IU Is Not Uniting**

Although the left's chances of success at the ballot box have begun to improve appreciably as a result of the serious setback that the right suffered after Mario Vargas Llosa decided not to run for president, all indications are that the reunification of the left is moving forward very warily.

Both the communist faction headed by Senator Jorge del Prado and certain elements in the so-called Christian left have continued their efforts to rebuild unity in recent days. In bilateral meetings with spokesmen for Socialist Accord [AS], which comprises the Barrantes group, they have tried to achieve an understanding that would satisfy the two clear-cut factions into which IU [United Left] is divided today. And as the secretary general of the PCP [Peruvian Communist Party (Unity faction) has announced, the meetings will become multilateral as headway is made in the negotiations.

The slow progress has been due, among other things, to the absence of the main leaders of Socialist Accord, who traveled to Europe a few days ago, reportedly to seek financial support for their election campaign from the Socialist parties on the Old Continent. The group that left for Europe consisted of Senator Enrique Bernales and deputies Manuel Dammert, Jose Luis Alvarado, and Carlos Tapia.

As of the time that the group left, two main obstacles to the reunification of IU remained. One was the challenge that Socialist Accord had filed to the registration of IU by only some of the parties that initially formed it. The other was the AS call for internal elections to nominate municipal candidates and to hold a plebiscite on the presidential nomination of Alfonso Barrantes, contrary to the decisions of the IU Steering Committee.

The National Election Board did not take up the issue of the AS challenge last week, in the hope that the two factions could reach a compromise; they had asked the country's highest electoral body not to do so once before as well.

As for internal elections in AS, the secretary general of the Revolutionary Socialist Party, Alfredo Filomeno, has stated that they would be held on the 9th of this month, and an electoral committee chaired by Deputy Oscar Nino Celis has been coordinating the efforts to bring off this consultation of party activists.

Nevertheless, AS circles hinted at the possibility of an understanding with the IU Steering Committee if the talks were reasonably successful upon the return of the leaders from Europe, as the matter could not be settled definitively without them.

It is also known from a reliable source that in recent days Alfonso Barrantes has been weighing the new circumstances in which the left finds itself after the debacle suffered by Fredemo [Democratic Front] and the prospects of a leftist government amid the serious economic and social conditions prevailing in Peru.

For its part, the extremist faction of IU, the so-called vanguard-militarists of the PUM [Nariateguist Unified Party], UNIR [National Union of the Revolutionary Left], and FOCEP [Student-Peasant-Worker Popular Front], saw its position strengthened when UNIR's Jorge Hurtado Pozo ("Ludovico") took over the rotating presidency of IU on the 1st of the month, a position that he will hold until 31 December. As is public knowledge, this faction does not consider Barrantes an appropriate candidate, regarding him as a "reformist" in their words. Deep down, however, they realize that "Frejolito" is the only one capable of carrying them to victory and into power, which is something that they do not really want because they are afraid of taking up responsibilities for which they are not prepared. They would rather remain in the opposition from their well paid seats in Congress, probably to criticize on the basis of their unchanging ideological dogma.

Nonetheless, the leftist rank and file, encouraged by developments on the right, are more confident of IU's chances of victory, as can be seen from Alfonso Barrantes' rebound in the most recent opinion polls. This feeling among the rank and file is without question a source of greatly heightened pressure now for a unification of the left around the candidacy of "Frejolito." This will have to be taken very much into account in the days to come.

### Government Names New Central Bank President

*PY0108210089 Lima Television Peruana in Spanish 1800 GMT 1 Aug 89*

[Text] The economy and finance minister has accepted the resignation tendered by Central Bank Director Luis Rodriguez Vildosola and has designated Rodolfo Beltran Bravo as the new director. In a note published today in the official gazette, the government thanked Rodriguez Vildosola for the important services he rendered.

## Venezuela

### Eduardo Fernandez Reelected COPEI Leader

*PA0108222189 Caracas Venezolana de Television Canal 8 in Spanish 1600 GMT 31 Jul 89*

[Summary] Eduardo Fernandez has been reelected secretary general of the Social Christian Party, COPEI, in internal party elections. Other COPEI leaders are: President Godofredo Gonzalez, who was also reelected, and Vice Presidents Hilarion Cardozo, Enrique Perez Aguilares, and Rafael Leon Leon.

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